ONENESS

Oneness Biotech Co., Ltd.

2023 ESG Report

CONTENTS

About this Report

Oneness Biotech Co., Ltd. (hereinafter referred to as Oneness Biotech or Oneness) issues the ESG Report (hereinafter referred to as the Report) annually. Oneness Biotech intends to present our strategy, targets, management and achievements in ethical management, new drug development, performance improvement, creation of a happy workplace, practice of environmental protection and commitment to social welfare, to our employees, customers, investors and other stakeholders through the Report.

Disclosure Period and Boundary

The disclosure period for this Report is from January 1, 2023 to December 31, 2023. To ensure the completeness of the reporting, some of the contents also cover the performances in 2021 and in 2024. If the period of reporting is different from the above statement, a note will be added to explain any differences in this paragraph.

The report focuses on Oneness' business activities in Taiwan, including Taipei Xinyi Office, Nangang Office & Lab and Pingtung Nanchou Plant. In addition, the information of the subsidiary, COTTON FIELD ORGANIC FARM INC., is incorporated in the report due to the relevance in the operation and the influence on material topics, covering sections including legal compliance, social inclusion and environmental protection. The reporting boundaries are aligned with the organizational boundaries based on the annual report. Where there is the information related to the subsidiary, or the issue of data adjustment or estimation, a note will be added to explain any differences in this paragraph.

Note: The Xinyi office ceased its lease on January 2, 2024, and relocated to the Zhongxiao office. Information related to the Xinyi office during the reporting period is still included.

Principles

The report complies with the GRI standards 2021 published by Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB) Index, as well as the requirements of "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies". All financial figures in the report are presented in New Taiwan Dollars (NTD). Relevant statistical figures are calculated based on internationally recognized standards, and all companies follow the same method for information disclosure.

Internal Audit and External Assurance

The financial information in the report is sourced from the publicly available annual report, audited by certified public accountants. The environmental and social data are independently compiled by the responsible departments and confirmed by their respective heads. The Sustainability Committee of Oneness Biotech (hereinafter referred to as the ESG Committee) reviews and consolidates this information before presenting it to the Board of Directors for discussion, resolution and then publication. Oneness entrusts DNV Business Assurance Co., Ltd for verification with Type 1 Medium Level Assurance, in accordance with the DNV VeriSustainTM Protocol and the AA1000AS v3.

Publication Frequency

Oneness has published ESG reports since 2020. The historical ESG Reports are publicly available for downloading by stakeholders on the ESG page of the Company's official website.

- **Oneness website:** www.onenessbio.com
- **Publication date of the current issue:** August 2024
- **Next issue:** August 2025
- **Previous issue:** June 2023

Contact Oneness

Please don't hesitate to contact us via one of the following methods if you have any comments or suggestions regarding the report contents. Your feedback enables us to persist in our efforts to constantly improve ourselves.

ESG Committee of Oneness Biotech Co., Ltd

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Message from the Chairman

The year 2023 was filled with challenges and opportunities. Thanks to the dedication of our company team, we have achieved several remarkable accomplishments. These successes have not only propelled the company's future growth but also positively impacted society and the environment, establishing a solid foundation for our sustainable operations.

One of the most notable achievements was our breakthrough in the Chinese market. We successfully obtained approval for the first "Class 1.1 natural new drug" by National Medical Products Administration (NMPA) in China. This milestone is not only a commercial success for Oneness Biotech but also significantly improves the quality of life for diabetes patients and alleviates the burden on the healthcare system. Patients with Diabetic Foot Ulcers may suffer from severe depression, and our patented new drug offers hope and change for these vulnerable individuals.

In addition to our breakthroughs in China, we also made significant strides in other countries, including obtaining EU import approval for scar treatment medical devices and securing import permits for medical devices in India, New Zealand, and South Africa. These accomplishments represent a significant milestone toward our goal of global market expansion.

In terms of sustainable development, the Company has made remarkable progress. We stood out among 13,000 companies worldwide invited to participate in sustainability assessments, becoming the first pharmaceutical company in Taiwan to be included in the Dow Jones Sustainability Indices (DJSI). Additionally, we have been listed in the S&P Global Sustainability Yearbook for two consecutive years (2023-2024). According to the report, out of the 28 sub-items assessed, 16 ranked in the top 5%, with full scores in product stewardship, transparency and reporting, marketing practices, and occupational health and safety. Innovation management, product quality and recall management, environmental policy and management systems, materiality, business ethics, policy influence, and biodiversity ranked in the top 3% among the global pharmaceutical industry. This recognition not only affirms our commitment to sustainable operations but also further solidifies our leading position in sustainable development.

We believe that ESG is not only a corporate social responsibility that must be fulfilled but also a sustainable competitive advantage that drives company growth. Looking ahead, we will continue to focus on innovative research and development, creating market-exclusive drugs to meet patients' medical needs, while consistently implementing corporate governance to drive the company's growth. At the same time, we will continue to make positive contributions to society and the environment. We firmly believe that through our efforts and collaboration, we can create sustainable shared value and achieve a brighter future.

Kuo, Hsien-Sho
Chairman, Oneness Biotech Co., Ltd.

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Consolidated Financial Statements

Currency: NTD thousand

Item	2020	2021	2022	2023
Operating Revenue	41,605	65,765	1,065,554	86,783
Operating Costs	(10,888)	(20,721)	(221,160)	(54,221)
Gross Profit (loss)	30,717	45,044	844,394	32,562
Loss from Operations	(673,174)	(878,139)	(241,447)	(1,096,625)
Non-Operating Income and Expenses	423,234	482,177	693,076	(220,653)
Net Loss for the Year	(251,679)	(412,823)	351,897	(1,322,568)

Note: Please refer to page 195 of the 2023 Annual Report for employee remuneration and welfare expenses, taxes and other expenses.

Tax Governance

Tax Policy

In response to the international trend in tax governance, the compliance of tax laws and regulations, the realization of sustainable corporate development, the enhancement of shareholder value, and the fulfillment of social responsibilities and tax obligations, Oneness Biotech formed the Tax Governance Policy in July 2021, which has been announced and implemented after approval by the chairman. The Company and subsidiaries included in the consolidated financial statements comply with the above Tax Governance Policy in the course of handling various tax affairs.

Tax Governance Policy

Regulatory Compliance	Fulfill the social responsibility of paying taxes according to the tax laws and regulations of each country of operation.
Information Transparency	Disclose tax information through public channels to ensure information transparency.
Risk Control	Tax-related risks and impacts are assessed for transactions and decisions.
Tax Management	We do not use tax structures that have no commercial substance, nor transfer value created to low tax jurisdictions or tax havens.
Transfer Pricing	Commercial substance principles, arm's length principles, and tax compliance principles shall comply with the International Transfer Pricing Principles promulgated by the Organization for Economic Co-operation and Development (OECD).
Specialty Cultivation	Education and training are provided to enhance the professional knowledge of tax personnel to assess and respond to changes in tax laws.
Mutual Trust and Communication	Establish a sound communication relationship with the donation and collection authority to communicate tax issues in a timely manner.

Tax Information

More than 90% of the operating revenue, profit (Loss) before income tax, and Income tax expense of Oneness Biotech in 2023 were generated from operations in Taiwan.

Currency: NTD thousand

Country	Major Business Items	Number of Employees	Operating Revenue	Profit (Loss) before Income Tax	Income Tax Paid	Income Tax Expense
Taiwan	R&D and manufacturing of new plant drugs, new small molecule drugs, and new antibody drugs	189	86,783	(1,317,278)	0	5,290

Note: Operations outside of Taiwan refer to three subsidiaries included in the consolidated financial statements: Fountain (Zhuhai) Biopharma Inc., Microbio Singapore Pte. Ltd., and Microbio Malaysia Sdn. Bhd. In 2023, both Fountain (Zhuhai) Biopharma Inc. and Microbio Malaysia Sdn. Bhd. had no employees, no operating revenue, and no income tax expenses. Microbio Singapore Pte. Ltd. had only one employee and no operating revenue or income tax expenses in 2023. For detailed information on the main business activities of these three companies, please refer to page 209 of the 2023 Annual Report.

Tax Information for Two Years

Currency: NTD thousand

Item		2022	2023
Profit (Loss) before Income Tax (A)		451,629	(1,317,278)
Income Tax Expense (B)		99,732	5,290
Effective Tax Rate % (C) = (B)/(A)		22.08%	-0.40%
Adjustments (D)	Timing difference	0	0
	Tax-exempt income	1,962	1,339
Effective Tax (E)=(B)+(D)		101,694	6,629
Effective Tax Rate % (E)/(A)		22.52%	-0.50%
Income Tax Paid (F)		0	0
Cash Tax Rate (F)/(A)		0	0

Note: The above tax information is based on the audited consolidated financial statements of Oneness Biotech and its subsidiaries for 2022 and 2023, as detailed on pages 7 and 51~53.

ESG Highlights

E Environmental

- The Nanchou Plant obtained **ISO 14001:2015** Environment Management System certification. The disposal process and management of waste gas, waste water, wastes and toxic substances, and pollution prevention all in compliance with regulatory requirements.
- The Nanchou Plant has received the outstanding performance award of Pingtung County Green Procurement for Private Businesses and Organizations for 4 consecutive years. In 2023, the amount spent on green procurement reached **4.87 million**.
- Oneness annually conducts **ISO 14064-1** GHG inventory and the 3rd-party verification for the companies included in the consolidated financial report since 2021, ahead of schedule in the "Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies".
- In September 2023, the Nanchou Plant established a solar power facility, with a generation capacity of **54,336 kWh** by the end of the year.

S Social

- Oneness has been included in the Bloomberg Gender-Equality Index for **2 consecutive years**, and was the only Taiwan biotech company to receive this honor.
- The Nanchou Plant has been certified according to **ISO 45001:2018** - Occupational Health and Safety Management Systems, to build a healthy and safe workplace.
- To improve supply chain sustainability, **47 suppliers** signed the "Supplier CSR Commitment Letter".
- Created an inclusive and equitable workplace, with female employees accounting for **57%** of total employees promoted in 2023.
- Promoted drug accessibility by donating **12 tubes** of FESPIXON® cream and **270 tubes** of Bonvadis® cream to underprivileged patients in 2023.

G Governance

- Oneness has been ranked among the Top 5% in the TPEx-listed category and the Top 10% among listed companies with a market capital of 10 billion TWD or more in the non-finance and non-electronics industry for **3 consecutive years** (2022-2024).
- Oneness was selected as a member of S&P Global "Sustainability Yearbook 2024", and was the only Taiwan biotech company has been selected for **2 consecutive years**.
- Oneness is certified in accordance with **ISO 9001:2015** - Quality Management System, to improve product quality and safety comprehensively.
- Oneness was awarded Taiwan Intellectual Property Management System **TIPS** certification from the Institute of Taiwan Industry to safeguard the intellectual property management system.

ESG Awards

2023

In 2023, Oneness Biotech has been selected as an index component of the DJSI Emerging Markets Index in the Pharmaceuticals sector, becoming the first company in Taiwan and one of only two biotech pharmaceutical companies globally to be included

2022 - 2023

Member of the S&P Global Sustainability Yearbook for 2 consecutive years (2022~2023) and also recognized as industry mover at 2022.

2022 - 2023

Member of Bloomberg Gender Equality Index (GEI) for 2 consecutive years

2022 - 2024

Ranked among Top 5% in the Corporate Governance Evaluation for 3 consecutive years

Note: For more details on all awards and honors, please refer to the official website.

Future Operating Policy

- FESPIXON® (ON101) has completed multi-national drug registration applications and authorizations. Keep exploring the development of new indications to expand marketability and increase product value.
- Advancement of the Clinical Trials of Antibody New Drugs, FB825 and FB704A
- Advancement of Phase I Clinical Trial of OB318 Antrodia cinnamomea Anti-cancer New Drug
- Completed Phase II Clinical Trials of SNS812
- Expanded the intended patient population for Bonvadis cream
- Plectranthus amboinicus Seedling Preservation Area
- Establishment of Centella asiatica GACP Cultivation Process
- Develop organic business, and consistently deliver high-quality and reliable medicinal materials and organic agricultural products.

R&D Strategy

- Full dedication into the research and development of existing new drugs.
- Accelerate market entry and expedite the launch of topical medical devices.
- Full utilization of the technology platform for product diversification development.
- With technology based in Taiwan, the Company actively seeks expansion to the international market.

Sales Policy

- International market deployment of FESPIXON® and topical medical devices.
- We primarily adopted the phased-value out-licensing of technology or cooperative development model for new clinical drugs. For markets where access has been obtained, distribution partnerships are the main strategy to promote rapid product commercialization locally.
- Taiwan Distribution Strategies for FESPIXON® and Bonvadis: Increase the distribution sites. Use digital marketing to increase the number of self-paying patients. Expand indications beyond DFUs through clinical experience of physicians.
- International Distribution Strategies for FESPIXON® and Bonvadis: Achieve market access with the dual branding of FESPIXON® drugs and Bonvadis medical products. Enhance international market recognition through digital marketing. Collaborate with regional partners for registration, pricing applications, and distribution network setup. Implement flexible pricing strategies to accelerate market penetration.

Note: For details regarding the operational, R&D and marketing policies, please refer to page 7-13 of the 2023 Annual Report.

02 ESG Overview

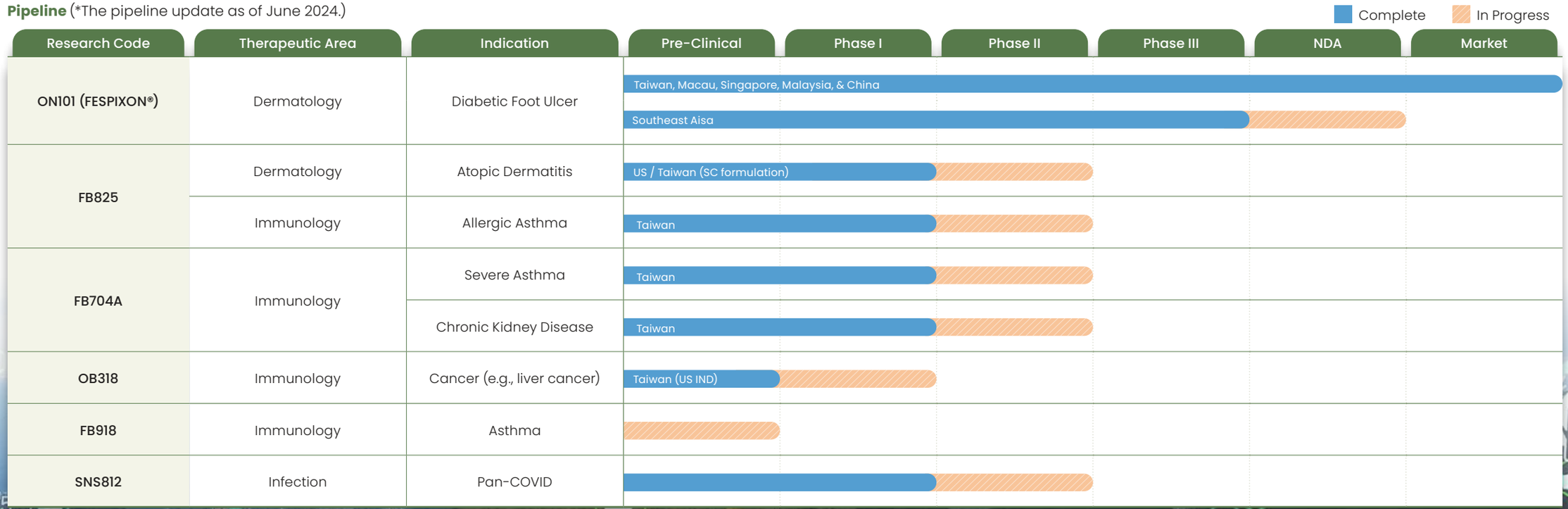
2.1 About Oneness Biotech

Oneness Biotech Co., Ltd. was established in June 2008, with its headquarter located in Zhongzheng District, Taipei City. The Company also has a lab and a plant in Nanchou Township, Pingtung County, as well as an office and a lab in Nangang District, Taipei City. In 2010, Oneness Biotech has been approved by the government as a "New Drug Biotech" company for research and development of new drugs. In June 2011, Oneness received approval from Securities and Futures Bureau (SFB) to be listed on the stock market and started to be traded since September 2011 (ticker: 4743).

To increase its scale of operation and gain more strength in the research and development of new drugs, Oneness Biotech merged with Fountain Biopharma Inc. in August 2019. The merger was intended to facilitate collaboration with large international research institutes and pharmaceutical companies and thereby improve Oneness Biotech's competitiveness on the global market. The subsidiary, COTTON FIELD ORGANIC FARM INC., was established in May 2017, with its headquarter located in Nangang District, Taipei City and the farm located in Liujiao Township, Chiayi County. In 2023, Oneness had a paid-in capital of NTD 4.5358 billion, an operating income of NTD 86,783 thousand, and a total of 189 employees. COTTON FIELD ORGANIC FARM INC. had a paid-in capital of NTD 300 million, and a total of 8 employees.

To achieve the purpose of "developing new drugs and caring for life", Oneness Biotech has an excellent R&D team and a strong pipeline of new drugs. Developing global new drugs is the ultimate goal and we focus on chronic dermatology and immunology. Our pipelines are the first-in-class or best-in class new drugs spanning from Phases I, II, III, to NDA/approval phases. The antibody new drug, FB825 has been out-licensed to an international pharma company. The DFU new drug, FESPIXON®, approved by Taiwan FDA, is also planned to enter the global market proactively.

Pipeline (*The pipeline update as of June 2024.)



2.2 Business Philosophy

Oneness has been dedicated to the development of new drugs on the basis of our core value: science, integrity, and transparency. We have an excellent R&D team and great innovation to support the R&D of new drugs, and continue to incorporate our patented technologies into the development of globally innovative drugs that are the Best-in-class, the First-in-class, and capable of fulfilling unmet medical needs. We aim to promote human health and improve people's quality of life by providing safe, effective, and quality drugs.

Oneness Biotech will keep conducting clinical and non-clinical trials that not only cater for unmet medical needs, but also comply with international regulations, in order to ensure the effectiveness, safety, and consistency of drugs. We will continue our efforts in developing new drugs with strong market competitiveness, satisfying patients' medical needs, and creating operating value. In addition, we will bring new drugs into the global market through international collaborations and strategic alliances so as to accelerate global market entry and maximize the value of corporate operation.

Core Values

- Based on the Core Values: Science, Integrity, and Transparency, Oneness aims to achieve the founding purpose of "Developing New Drugs and Caring for Life" by providing effective therapies to the patients with our science and innovation in order to fulfill the global unmet medical needs.

Business Strategies

- Full dedication into the research and development and internationalization of existing new drug pipelines, focus on the global market, initiation of clinical trials, and completion the milestones of new drug development in order to carry out global out-licensing and codevelopment of technology a to create a win-win situation with our partners.
- Develop new indications for unmet medical needs to increase the value of the product.
- Caring for the disadvantaged, giving back to the community, establishing the corporate image, and creating the value of the Company's corporate brand assets.

Vision of Sustainability

Following its core business values of "Integrity, Innovation, and Love", Oneness Biotech establishes alliance with integrity, expands to new market with innovation, and gives feedback to the society with love. We will continue increasing our strength in research and development in order to develop world-class innovative drugs and help create a healthy life for the humankind. We will integrate sustainability strategies into business operation and development, carry out our corporate social responsibilities, and protect a sustainable environment for future generations.

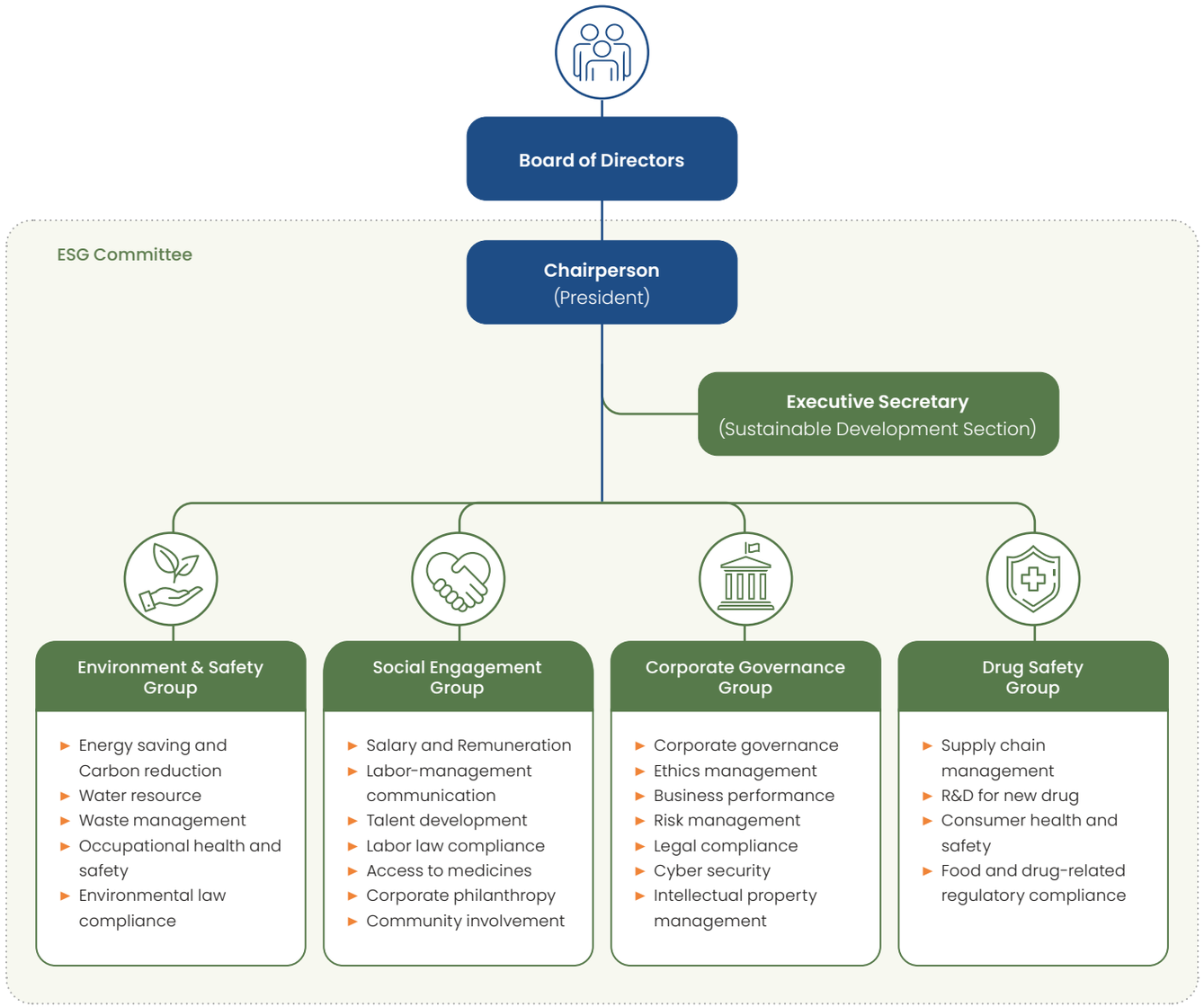
Sustainable Management Structure

Stakeholders used to focus on that pharmaceutical industry's economic value as corporate profits and the social value as improvement of the health and welfare of human beings. However, with the development of triple-bottom-line business models, which have not only economic and social, but also environmental, considerations, stakeholders have paid more and attention to the environmental value of the pharmaceutical industry.

For Oneness Biotech, sustainability is not simply a marketing slogan, but a moral mission and responsibility that must be undertaken. To promote sustainable development, the Board of Directors has passed the "Corporate Social Responsibility Best Practice Principles" and established a Sustainability Committee (ESG Committee), to address the global trend of sustainable development and take actions to implement the sustainable vision.

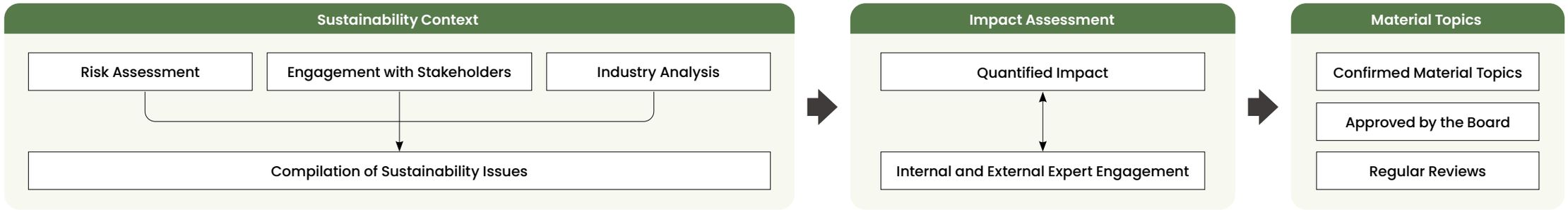
The Board of Directors (the Board) is the highest governing body in Oneness' sustainable development. The Board is responsible for oversight of the policy, strategy and targets that related to sustainable and ESG issues, and regularly reviews the proposals reported from ESG committee. There were several ESG-related proposals that reviewed by the board in 2023, including stakeholders engagement, GHG inventory and verification, ethical management, intellectual property rights protection, ESG report and sustainable development actions.

The President serves the chairperson of the ESG Committee. Four functional task forces have been set up under the ESG committee to carry out corporate sustainability tasks in the fields of "corporate governance", "environment & safety", "social engagement", "and "drug safety". All committee task forces rely on routine communication channels and stakeholder engagement to gain a clear understanding of their demands and expectations toward the Company. Committee meetings are convened as a platform for task force discussions and catalyst for consensus-building through cross-departmental brainstorming to facilitate adequate responses to stakeholder demands.



2.3 Stakeholders Engagement and Material Topics

Oneness conducts a material topic identification process once a year. We developed a materiality process based on the four principles of inclusivity, materiality, responsiveness, and impact with reference to the AA1000 Accountability Principles. The goal is to assess the actual and potential impacts of environmental, social, governance, and human rights issues through diversified communication channels and interactions with stakeholders. Relevant results will serve as a foundation for information disclosure in annual sustainability reports and a key reference for sustainability strategy planning by the company.



» Stakeholders Engagement

We strive to gain a better understanding of stakeholder demands and expectations through intensive communication to facilitate the development of more sustainable business models and effective identification and management of potential risks. The ultimate goal is to enhance decision-making quality, boost our corporate image, and foster long-term success. With reference to the five attributes (dependency, responsibility, influence, diverse perspectives, and tension) of AA1000 SES (Stakeholder Engagement Standard), Oneness has identified the following eight major stakeholder categories (government agencies, investors, customers, employees, suppliers, communities, news media and medical staff). Stakeholder engagement is carried out regularly and irregularly via diversified channels to gain a clear understanding of stakeholder expectations towards the Company. Impact assessments of issues of concern to stakeholders are conducted simultaneously and adequate responses are provided in this report and on the corporate website.

Dependency
Direct or indirect dependency on Oneness operations and products and Oneness operations dependency on stakeholders

Responsibility
Current or future stakeholders with legal, business, operational, or ethical responsibility

Tension
Stakeholders concerned about financial, economic, social, or environmental issues affecting Oneness

Influence
Stakeholders with strategic impact or decision-making capacity with respect to Oneness

Diverse Perspectives
Stakeholders with diverse perspectives capable of inspiring Oneness to acquire new knowledge and gain new opportunities

Engagement with Stakeholders

Categories	Importance	Communicated Issues	Communication Channels/Frequency	Communication Performance
Government Agencies	▸ Government agencies pay close attention to legal compliance by Oneness in the governance, environmental, and occupational health and safety dimensions. ▸ We rely on government support for hi-tech industry development, closely monitors policy and legal updates to ensure stable operations.	▸ Corporate Governance ▸ Ethical Management ▸ Legal Compliance ▸ Drug Safety ▸ Wastewater Management ▸ Climate Strategies ▸ Occupational Health and Safety	▸ Official documents /irregularly ▸ Policy promotion meetings of competent authorities / irregularly	▸ 799 instances of correspondence from and to government agencies in 2023.
Investors	▸ Investors pay close attention to the value of their investments in Oneness with a focus on public market development strategies, market outlook, and sustainable development. ▸ We rely on the support and trust of our investors who provide the capital for corporate development and R&D initiatives. We repay our investors with exceptional R&D achievements and ESG performance.	▸ Operating Performance ▸ Corporate Governance ▸ Risk Management ▸ Legal Compliance ▸ Drug Safety ▸ Intellectual Property Rights Protection ▸ Cyber Security ▸ Climate Strategies	▸ Company website /irregularly ▸ Financial report /quarterly ▸ Investor conference /quarterly ▸ Annual general meeting /annually ▸ MOPS /irregularly	▸ A total of 170 questions from investors were answered in 2023, which is published in the Investor FAQs Area on the Company's official website. ▸ Posting of 62 important announcements on the Market Observation Post System (MOPS) in 2023.
Customers	▸ Our customers, including users distributors and medical institutions, pay close attention to the progress of new drug development and access to medicines. ▸ We are firmly committed to providing its customers with high-quality products and services with the ultimate goal of improving user health and enhancing life quality.	▸ Legal Compliance ▸ Drug Safety ▸ Access to Medicines	▸ Company website /irregularly ▸ Telephone, email /irregularly	▸ In 2023, there were three customer complaints. One was found to be unsubstantiated after investigation, and two were related to packaging.
Employees	▸ Employees expect sustained business growth and prioritize health and safety work environments, excellent salaries and benefits, a corporate culture based on equality and amiable relations, enhancement of work competence, and pursuit of work-life balance. ▸ We view talent as our most important asset. Talent recruitment, development, and retention is the key to innovative research and development and enhanced competitiveness and the cornerstone for the realization of sustainable development.	▸ Operating Performance ▸ Remuneration and Benefits ▸ Occupational Health and Safety ▸ Talent Attraction and Retention ▸ Human Right ▸ Diversity and Equality ▸ Human Resource Development	▸ Telephone, email /irregularly ▸ Grievance hotline /irregularly ▸ Labor-management meeting/ quarterly ▸ Performance appraisal /every 6 months ▸ Employee satisfaction survey/ annually	▸ Organization of 4 labor-management conferences in 2023. ▸ Organization of 47 training programs in 2023 (28 professional competency and 19 general education programs).

(continued on the next page)

Categories	Importance	Communicated Issues	Communication Channels/Frequency	Communication Performance
Suppliers	► Suppliers strive to forge long-term, stable partnerships with us and pay close attention to our supply chain-related management approaches and our achievements in the field of ethical norms and cyber security. ► We rely on stable raw materials provided by suppliers. Through close collaboration and good two-way communication, we jointly pursue sustainable corporate development.	► Legal Compliance ► Ethical Management ► Supply Chain Management ► Cyber Security	► Meeting, mail /several times a month	► Cross-year supplier evaluations from 2022 to 2023. · 2022/07/01~2023/06/30 15 suppliers were evaluated. · 2023/07/01~2023/12/31 10 suppliers were evaluated. ► Signing of CSR Commitment Letter by 10 suppliers in 2023.
Communities	► The general public expects us to exert its corporate influence in support of social development while pursuing operational growth. At the same time, local residents pay close attention to environmental protection measures adopted by plants. ► We have made a long-term commitment to fulfilling our corporate social responsibility, lowering the environmental impact of our business operations, active engagement in social welfare, promotion of industry-academia collaboration, and raising of local employment rates.	► Wastewater Management ► Waste Management ► Corporate Citizenship & Philanthropy ► Talent Attraction and Retention	► Company website /irregularly ► Grievance hotline /irregularly	► Donations to medical related foundations and/or associations, such as Boyo Social Welfare Foundation. ► Support the police and firefighters injured in the explosion in southern Taiwan's Pingtung County. ► Published a "Low-income Diabetic Medical Aid Plan"
Media	► Media representatives expect Oneness to disclose corporate management approaches and related positive and negative impacts in a transparent manner. They also pay close attention to measures adopted in the ESG dimension. ► We firmly believe that the media represent the public's expectations and supervision of the Company. The advice and suggestions given by news media ensure our ongoing progress.	► Economic Performance ► Drug Safety ► Legal Compliance ► Corporate Citizenship & Philanthropy	► Special interview /irregularly ► Press release /irregularly	► The company website continuously discloses stock quotes and news related to company operations. For detailed information, please refer to the company website.
Medical Staff	► Medical staff expect Oneness' new drug can effectively improve user's health, to reduce medical expenses and burden. ► Oneness believes that medical staff has professional knowledge and experience, is important to drug administration and clinical trials due to their	► Corporate Governance ► Drug Safety ► Access to Medicines	► Official documents /irregularly ► Telephone, email /irregularly ► Seminar /irregularly	► Continued communication and briefing sessions with partner hospitals, clinics, and pharmacist associations.

Note: The 'Importance Column' details the expectations of various stakeholders towards the company and the company's reliance on them. Unless otherwise specified, the statistical period for communication performance refers to the entire year of 2023.

Compilation of Sustainability Issues

By compiling the results of risk assessments, stakeholder communication issues, and cross-industry analyses (including responsible investment survey items from DJSI, MSCI, FTSE, etc., and the United Nations Sustainable Development Goals), we have identified 26 topics as the foundation for impact assessment.

» Impact Evaluation

Scoring principles were based on an analysis of the positive and negative impacts of issues, and their incidence frequency/probability through impact paths of due diligence issues and by incorporating stakeholder perspectives in the reporting year and double materiality concepts including, including "inside-out" (impacts on environment and society) and "outside-in" (impacts on company operations).

Evaluation		3	2	1
Internal Impact	Positive	► Increase revenue or reduce costs by more than NTD 10 million ► Significantly enhance operational resilience or competitive advantage ► Significantly enhance reputation and stakeholder trust	► Increase revenue or reduce costs by NTD 5-10 million ► Contribute to operational resilience or competitive advantage ► Moderately enhance reputation and increase stakeholder trust	► Increase revenue or reduce costs by less than NTD 5 million ► Operational resilience or competitive advantage benefit is slight ► Reputation and stakeholder trust benefits are slight
	Negative	► Reduce revenue or increase costs by more than NTD 10 million ► Business disruption for one week or more ► Difficulties in attracting talent and there is a manpower gap of more than 30%. ► Affect the R&D progress for more than one year, or even suspend it. ► Serious damage to reputation and loss of stakeholder trust	► Reduce revenue or increase costs by NTD 5-10 million ► Business disruption for three days or more ► Affect talent recruitment, and the manpower gap is less than 30%. ► Affect the R&D progress for more than half a year ► Moderate damage to reputation and decrease of stakeholder trust	► Reduce revenue or increase costs by less than NTD 5 million ► Operations can be resumed within 3 days ► Little impact on talent recruitment ► Minor impact on R&D progress ► Impact on reputation and stakeholder trust is slight
External Impact	Positive	► Significantly improve environmental or social issues ► Remarkable demonstration and driving force, leading the industry to grow ► Significant for creating shared value	► Beneficial to environmental or social issues ► Encouragement of the positive ESG development of the industry ► Contribute to the creation of shared value	► Minor environmental or social contribution ► Minor benefit to the positive ESG development of the industry ► Minor benefit from creation of shared value
	Negative	► Cause serious environmental problems, with no restoration in the short term. ► Cause serious damage to users and society, and even causes health and safety problems, with no compensation and restoration in the short term. ► Cause serious losses to customers, investors, and other stakeholders	► Moderate environmental and social issues, short-term recovery possible ► Causes moderate damage to users and society, and can be compensated and restored in the short term. ► Cause moderate losses to customers, investors, and other stakeholders	► Minor or negligible contributions to society or the natural environment ► Little or no harm to the user and society ► Cause minor losses to customers, investors, and other stakeholders
Incidence Rate		► At least once every three years or more frequently	► Possibly once every 3-5 years	► Likely to occur in more than 5 years, or even lower

Note: Considering the recognition of licensing fees in the fiscal year, which could lead to significant revenue fluctuations. Concurrently, risk management and double materiality processes were optimized, resulting in adjustments to the evaluation indicators this year.

Expert Engagement

With a view to ensuring accurate evaluation of each issue and full disclosure of information of concern to internal and external stakeholders, our sustainability task force submits the results of such evaluations to internal and external experts for review. Senior executives of each department serve as internal experts since they are abreast of all external changes affecting the company. They come in direct contact with all stakeholder categories and are fully aware of the impact of each identified issue on the company. They are therefore responsible for reviews of the accuracy of the impact path and evaluation of each issue by relying on their professional expertise in different fields. Third-party consulting firms represent the external experts. They are devoted to promoting sustainable development and maintain a full grasp of the sustainability pulse in the industry from their professional perspective. They assist us in gaining a clear understanding of social and environmental development directions associated with each issue as well as potential negative impacts or opportunities in the long run.

» Material Topics

Our sustainability task force and internal/external expert teams repeatedly review and adjust issue evaluation results. Impact degrees are determined based on the overall consideration of positive effects and negative impacts. Ranking in the top one third in terms of degree of impact is defined as the significance threshold. Upon ranking of each topics based on degree of impact, we classify all issues into three categories. In addition to the disclosure of material issues that exceed the significance threshold in accordance with GRI standards and requirements, other information of concern to stakeholders is revealed in the report.

- **Material Topic:** Topic with significant impact on internal operations and the external environment and society, for which the Company shall establish a management approach
- **Disclosure Topic:** Although the extent of the topic's impact on internal operations and the external environment does not reach the significant threshold, stakeholders are still concerned about the relevant information. It is advisable to establish an appropriate management approach and information disclosure topic.
- **Observational Topics:** Topics that have minor impacts on internal operations and external environment and society are included in the observation list. Relevant information will be disclosed voluntarily with attention to the future development of the topics.
- Negative impact of the issue that affects human rights is also listed as a material topic.

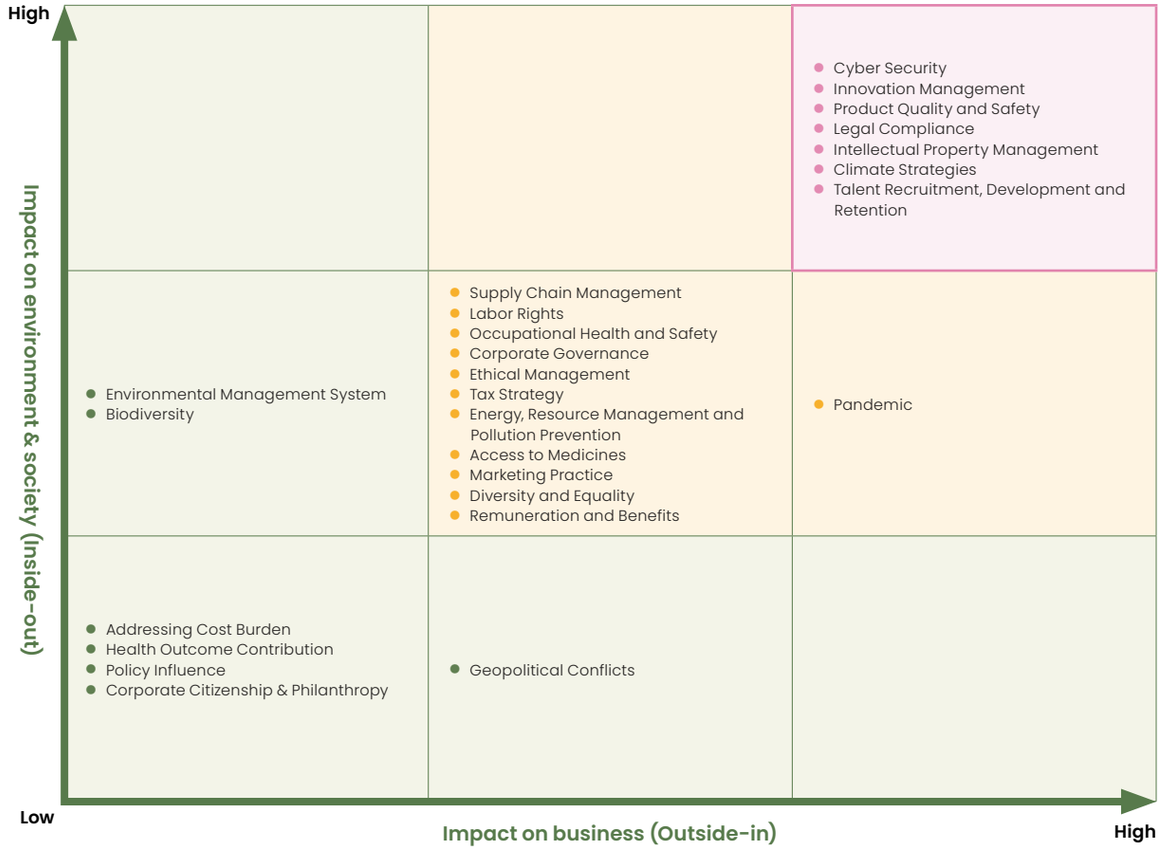
Based on the above principles, there are seven material topics this year, as shown in the figure below: "Cyber Security", "Innovation Management", "Product Quality and Safety", "Intellectual Property Management", "Legal Compliance", "Climate Strategies", and "Talent Recruitment, Development and Retention".

Changes from the Previous Year:

- **Redefine the threshold for material topics:** material topics are those that rank in the top third for both internal and external impact. Please refer to the material topics matrix.
- **Material Topic:** Last year, "Drug Safety" and "Product Quality and Recall Management" were merged into "Product Quality and Safety", and "Human Resources Development" and "Talent Attraction and Retention" were merged into "Talent Recruitment, Development and Retention", both of which are listed as material topics.
- **Disclosure Topic:** "Pandemic" was newly included for impact assessment this year. "Resource Usage Efficiency" was changed to "Energy, Resource Management and Pollution Prevention".
- **Topic for Observation:** "Geopolitical Conflicts" has been newly included in impact assessment this year.

Approved by the Board of Directors

The analysis results of material issues were reported to the Board of Directors for approval on February 29, 2024.



Material Topic	Disclosed Topic		Observed Topic
Cyber Security	Pandemic	Energy, Resource Management and Pollution Prevention	Environmental Management System
Innovation Management	Supply Chain Management	Access to Medicines	Biodiversity
Product Quality and Safety	Labor Rights	Marketing Practice	Geopolitical Conflicts
Legal Compliance	Occupational Health and Safety	Diversity and Equality	Addressing Cost Burden
Intellectual Property Management	Corporate Governance	Remuneration and Benefits	Health Outcome Contribution
Climate Strategies	Ethical Management		Policy Influence
Talent Recruitment, Development and Retention	Tax Strategy		Corporate Citizenship & Philanthropy

Regular Reviews

We have formulated management approaches for seven material topics and plan priority actions in line with impact levels. Furthermore, we define indicators and targets for tracking implementation performance. We will persist in our efforts to gain a better understanding of stakeholder expectations toward the company through stakeholder engagement to facilitate assessments of positive effects and negative impacts of our products. Annual materiality assessments are not only disclosed in our sustainability reports but also on our corporate website in a prompt manner.

Material Topic	Positive Effect	Negative Impact	Addressing SDGs	Corresponding Report Chapter
Cyber Security	► Increased system reliability and customer trust coupled with mitigated risks of financial losses ► Mitigated risks of data leakage, cyberattacks, and other forms of cybercrime	► Implementation and maintenance costs; system disruptions and information leakage resulting in operating and financial losses ► Loss of customer, investor, and stakeholder trust		Corporate Governance
Innovation Management	► Increased corporate competitiveness, operational efficiency, customer satisfaction, and employee cohesion ► Improved patient health and decreased medical costs	► Failed R&D projects, inability to actively respond to industry trends due to resistance to internal reforms; innovation obstacles posed by legal or supervisory mechanisms ► Inability to satisfy medical needs		Research & Development
Product Quality and Safety	► Creation of profits, enhanced competitiveness ► Improved patient and public health and decreased medical costs	► Increased R&D and production costs, violation of pharmaceutical laws ► Inadequate drug safety controls affecting patient health and resulting in increased medical costs		Research & Development
Legal Compliance	► Increased customer, employee, and investor trust and corporate reputation and decreased compliance risks ► Sound capital markets, fostering of a climate of corporate governance in the industry	► Damage to company reputation, loss of stakeholder trust, legal monitoring issues ► Losses caused to external investors, impacts on investment, and market turbulence		Corporate Governance
Intellectual Property Management	► Encouragement of innovation and enhanced operational performance ► Increased incentive for innovation and R&D investments	► Inability to protect IPR potentially resulting in decreasing R&D capabilities, operating losses, and declining market competitiveness ► Improper use of IPR poses a potential risk of choking competition and innovation		Corporate Governance
Climate Strategies	► Mitigation of climate risks and creation of business opportunities ► Reduced carbon emissions, improved air/water quality, enhanced climate resilience	► Increased operating costs, improper execution affecting operations and finances ► Inability to cope with and mitigate climate issues due to lack of climate strategies resulting in social, economic, and environmental impacts		Environmental Protection
Talent Recruitment, Development and Retention	► Enhanced employee skills and expertise resulting in increased retention rates ► Improved labor conditions and employment rates	► Increased operating costs and lack of employee skills and professionalism ► Inability to attract talent to the biotech industry		Social Inclusion

Note: The descriptions in the table of positive and negative impacts include internal impacts as the first point and external impacts as the second point.

2.4 2025 Sustainability Goals

Our 2025 Sustainability Goals have been adopted on the foundation of coping strategies for material topics and our commitment to SDGs with 2022 as the base year. These goals describe actions about to be taken by Oneness and tracking of annual implementation results through qualitative methods and quantitative indicators to foster concerted efforts by different units in pursuit of a joint goal. These efforts greatly facilitate the conversion to sustainable operations and strengthening of corporate competitiveness.

Topic	Goal	Indicators
Cyber Security	Establishment and implementation of a sound cyber security management system to prevent major cyber security incidents.	▸ Zero incidence of major cyber security incidents each year. ▸ Decrease of phishing success rates to 5% or lower through social engineering drills each year. ▸ Cyber security training completion rate of 95% or more each year.
Innovation Management	New drug R&D: Development of globally innovative drugs with a market advantage to satisfy unmet medical needs and individual healthcare demands and thereby increase.	▸ Pre-clinical development and clinical trials of new drugs and medical devices according to schedule.
Legal Compliance	Compliance with applicable laws and regulations, ongoing reinforcement of compliance awareness on the part of employees, prevention of legal violations.	▸ Zero incidence of major legal violations each year. ▸ Ongoing implementation of ethical and legal compliance training and testing each year.
Intellectual Property Management	Strengthening of the IPR management mechanism and optimization of IPR protection for new drug development.	▸ Attainment of more than three new patents by 2025. ▸ Zero incidence of major trade secret leakage each year.
Climate Strategies	Ongoing implementation of energy conservation and carbon reduction measures to reduce carbon emissions and climate risks.	▸ 100% removal or offsetting of Scope 1 and 2 emissions to realize carbon neutrality by 2025. ▸ 20% usage of renewable energy at Nanchou Plant by 2025.
Product Quality and Safety	Improvement of product quality and safety to ensure zero incidence of recalls.	▸ Zero incidence of drug recalls each year. ▸ Drug-related customer complaint less than one issue per one million revenue each year.
Talent Recruitment, Development and Retention	Raising of the learning motivation of employees to enhance professional expertise and skills in different areas Cultivation and retention of outstanding talent.	▸ Average annual training time of 30 hours or more per employee by 2025. ▸ 90% retention rate of top-performing talent each year.

2.5 Response to SDGs

In 2015, the United Nations announced the "Sustainable Development Goals (SDGs) for 2030", which include 17 goals such as no poverty, decent work and economic growth, and climate actions. The goals cover 169 targets and were intended to guide joint global efforts toward promoting human survival and sustainable development. The SDGs turned a new page for global development. This ambitious sustainability blueprint relies on unprecedented collaboration of all the parties involved. Each party, be it a government, international organization, enterprise, or even individual, can contribute to the SDGs through practical actions.

The SDGs describe the most pressing environmental, social, and economical problems in the world and have become not only increasingly important to governments and enterprises, but also a focus of attention for stakeholders around the globe. The SDGs provide opportunities for corporate growth. An enterprise will have the first-mover advantage if it makes a preemptive deployment that takes the development of the SDGs into account. By contrast, an enterprise will be disadvantaged in operation, or even suffer a damage in reputation, if it follows suit relatively late or has no practical actions for the SDGs.

Since we specialize in the research and development of new drugs, our contributions focus on the "SDG 3: Health and well-being" dimension. However, in the process of material topic assessment, we have realized that our operating activities are closely intertwined with other SDGs. We have therefore carried out a comprehensive assessment of all operational dimensions to gain a clear understanding of the positive and negative impacts of our corporate actions on SDGs and thereby ensure conformity of our operations to SDG principles. The interconnectedness between material topics and SDGs is taken into consideration in the material topic identification process. SDG concepts are incorporated into the operation plans for the material topics, and strategies are formulated accordingly to maximize the beneficial effects of SDGs.

SDGs	Our Actions
 **SDG 3** Good Health and Well-Being	The biotech and pharmaceutical industry is an important factor in promoting the health and well-being of humans. Oneness Biotech develops new drugs with science and innovation, provides affordable treatment for patients, protects the R&D results with a sound intellectual property management system, and creates value to be shared between Oneness Biotech and the society.
 **SDG 5** Gender Equality	We have a workplace culture that values gender equality. In addition, the Board of Directors has a diverse and inclusive structure composed of both management and employees so that different voices can be heard during the decision-making process to enhance team cohesiveness between employees and thereby encourage growth of Company operation.
 **SDG 8** Decent Work and Economic Growth	Employees' safety and benefits are protected. The concept of "equal pay for equal work" is reflected in salaries. Complete employee development plans are in place to increase employees' professional abilities, ensure proper career development, and promote sustainable economic growth.
 **SDG 9** Industry, Innovation, and Infrastructure	Large amounts of resources have been put into technological innovation so as to develop high-quality, reliable, and sustainable new drugs, upgrade production equipment, improve manufacturing processes, and increase the efficiency of use of energy.
 **SDG 12** Responsible Consumption and Production	Based on an environmentally friendly design, our lead product, the FESPIXON® cream composed of botanical active pharmaceutical ingredients which are derived from plants with non-toxic organic cultivation. Moreover, manufacturing processes are subjected to life cycle-based reviews in order to gradually increase recycling and achieve the goal of zero pollution.
 **SDG 13** Climate Actions	In face of the physical and transitional risks posed by climate change, Oneness Biotech has introduced the TCFD structure, verified its inventory of organization-level and product-level carbon footprints, and taken mitigation and adaption measures improve energy intensity and reduce carbon emissions.
 **SDG 16** Peace, Justice, and Strong Institutions	Operation with integrity is not only one of the social responsibilities of an enterprise, but also a cornerstone for sustainable operation. Oneness Biotech has established a good corporate governance and risk management mechanism, follows and complies with the global legal requirements, and endeavors to prevent any corruption and dishonest behaviors.

03 Research and Development

The research and development of new drugs demand long-term commitment. It takes 12 to 15 years on average and requires an R&D fund of about USD 1 billion for the entire process from drug screening in the laboratory to the clinical trial stage and the obtainment of approval for marketing. To help investors understand Oneness Biotech better, the Company has established a transparent drug development progress system. Quarterly conferences are held, daily Q&A sessions with investors are conducted and publicly disclosed. Additionally, Oneness releases ESG reports annually. In 2023, we were also included in the MSCI ESG Ratings, a key sustainability assessments monitored by global investors, and received an A rating.

2023 KEY PERFORMANCE

Innovation Phase	Number of Projects	Share of Projects	Share of R&D Budget Invested	Success Rate[1]
Pre-Clinical	1	12.5%	7.75%	100%
Phase I	1	12.5%	8.75%	100%
Phase II	5	62.5%	57.75%	100%
Phase III	-	-	-	100%
Market	1	12.5%	25.75%	100%
Total	**8**	**100%**	**100%**	**-**

Note:
1. As of December 31, 2023, all ongoing new drug development projects have successfully progressed to the next phase, resulting in a 100% success rate at each phase.

Research Code	Therapeutic Area	Indication	Technological Breakthrough	Pre-Clinical / Phase I / Phase II / Phase III / NDA / Market
ON101 (FESPIXON®)	Dermatology	Diabetic Foot Ulcer	First in class[1]	Taiwan, Macau, Singapore, Malaysia, & China; Southeast Aisa
FB825[2]	Dermatology	Atopic Dermatitis	First in class	US / Taiwan (SC formulation)
	Immunology	Allergic Asthma	First in class	Taiwan
FB704A	Immunology	Severe Asthma	New Indication	Taiwan
		Chronic Kidney Disease	-	Taiwan
OB318	Immunology	Cancer (e.g., liver cancer)	First in class	Taiwan (US IND)
FB918	Immunology	Asthma	-	
SNS812	Infection	Pan-COVID	First in class	

Note:
1. According to the US Food and Drug Administration (FDA), a First-in-Class medication is defined as a prototype drug that uses an entirely new and unique mechanism of action to treat a particular medical condition. First-in-Class is an important innovation metric used by the FDA to evaluate new drug approvals.
2. FB825 has obtained Orphan Drug Designation from the US FDA for the treatment of Hyper IgE Syndrome. According to the US FDA, diseases that affect fewer than 200,000 patients annually and lack mainstream treatment options are eligible for Orphan Drug Designation.
3. The pipeline update as of June 2024.

MATERIAL TOPICS AND 2025 SUSTAINABILITY TARGETS

Topic	Strategy	2025 Targets
Innovation Management	New drug R&D: Development of globally innovative drugs with a market advantage to satisfy unmet medical needs and individual healthcare demands and thereby increase.	▸ Pre-clinical development and clinical trials of new drugs and medical devices according to schedule.
Product Quality and Safety	Improvement of product quality and safety to ensure zero incidence of recalls	▸ Zero incidence of drug recalls each year ▸ Drug-related customer complaint less than one issue per million revenue each year.

GOVERNANCE

Risk Management Committee
Master risk management and supervise the implementation status of response plans.

Research & Development Center
Set clear long-term and short-term goals and the Company's overall R&D strategy to enhance global supply and competitive capability.

Quality Assurance Center
Introduce a quality management system to monitor and strengthen product quality and comply with regulatory requirements in different markets.

Audit Office
Perform internal audits and follow-ups to ensure that operations comply with quality management system requirements and maintain continuous effectiveness.

STRATEGY

Implement and track the progress of new drug R&D projects and resource use to ensure projects are completed on time and on budget, and conduct clinical personnel education and training to ensure that the R&D team has sufficient skills and knowledge to effectively achieve the Company's R&D goals while protecting the Company interests and maintaining regulatory compliance.

2023 IMPLEMENTATION RESULTS

- ON101 has been granted by **Singapore** and **Malaysia**, and approved as Class 1.1 natural new drug by National Medical Products Administration (NMPA) in **China**.
- ON101 obtained import licenses for medical devices from **4** countries.
- The number of drug recall incidents is **0**.
- Customer complaints about drug defects is **0.023 per million** revenue (less than 1 per million revenue).

Note: In 2023, there were three customer complaints related to drug sales, of which 1 was identified as unfounded, and the other 2 were packaging damage. None of these cases affected the safety and efficacy of the products.

3.1 Drug Development Process

The development of a new drug starts with the discovery of candidate drugs. The candidate drugs must go through a chemistry, manufacturing, and controls (CMC) process, pharmacokinetic studies, pre-clinical pharmacological tests, pre-clinical safety-pharmacological tests, and pre-clinical toxicological tests, before an investigational new drug (IND) application can be filed with the competent health authority to begin clinical trials on the human body.

The efficacy and safety of the new drug are determined by a rigorous statistical analysis, and if the regulatory requirements for approval for marketing are met, a new drug application (NDA) can be filed to the regulatory authority. After obtaining the approval, it is required to monitor and report adverse reactions and serious side effects.

Due to the fact that drugs are administered directly to the human body, the competent health authorities of all countries ensure the safety and efficacy of drugs through legislation intended to regulate such processes as the research and development, manufacture, import/export, sale, and use of drugs. The competent health authorities monitor the aforesaid processes closely in order to safeguard the medication safety of their fellow citizens.

Pre-clinical Toxicological Tests

- Research and analysis, plus patent application for intellectual property protection
- Pharmacological studies
- Pharmaceutical CMC process
- Pharmacokinetic and toxicological experiments and safety tests

IND

Clinical Trials

Phase I

- Clinical trials on healthy volunteer
- Observation on safety and pharmacological effects of the drugs in humans.

Phase II

- Clinical trials with smaller sample size of patients
- Evaluating the effectiveness and safety of different doses on patients.

Phase III

- Increase the sample size based on the Phase 2 trials
- Analyzing the efficacy and safety of the drug, and filling an NDA if the data satisfy the regulatory requirements to support the marketing approval

NDA

Approval by the Competent Authority

- Manufacture and marketing
- Continued monitoring in phase-4 clinical trials
- Collecting, assessing, and studying information related to drug safety

3.2 R&D Progress and Results

The core objective of Oneness Biotech is to develop globally innovative drugs, with focus on the treatment of chronic skin conditions and autoimmune diseases. We have a complete array of new drug R&D pipelines, including those in phase-1, phase-2, or phase-3 clinical trials, those in the NDA stage, and products already licensed for use. Most of the drugs are the first in class or the best in class. Obtained Taiwan New Drug approval for FESPIXON® cream in March 2021, pre-market approval for importing traditional medicines in Macao in December 2021, Singapore's New Drug approval in January 2023, drug approval in Malaysia in July 2023, and a certificate of registration for Class 1.1 new natural drug from the National Medical Products Administration (NMPA) of China in November 2023. The Company provides effective drugs for the treatment of diabetic foot patients, fulfilling the Company's founding mission of "Developing New Drugs and Caring for Life". In addition, Bonvadis topical cream for wound care, developed by the Company has been obtained substantial equivalence recognition and marketing approval from the US Food and Drug Administration (FDA) under the 510(k) process in August 2022. Furthermore, it obtained medical device import licenses for India, New Zealand, European Union, South Africa, and Thailand in February, March, April and August 2023, and January 2024, respectively.

FB825 was authorized to the global pharmaceutical company. Phase IIa clinical trials for moderate to serve atopic dermatitis was completed in the US in the first half of 2022. Following the delivery of Clinical Study Report (CSR) to the global pharmaceutical company in June 2022, contract revenue of USD 33.6 million was recognized. The PK bridging study for both subcutaneous and intravenous injection formulations conducted in the United States was completed in December 2023, with all subjects having returned for follow-up visits. Furthermore, the CSR was completed in Q1 of 2024. Additionally, the efficacy trial for FB825's subcutaneous injection formulation in patients with moderate to serve atopic dermatitis was completed in January 2024, and the submission to the US FDA was made. Simultaneously, enrollments will be made in both the US, and in Taiwan. The Phase IIa clinical trial for moderate to severe allergic asthma, which is being conducted by Microbio (Shanghai) Co., Ltd., is currently ongoing and actively enrolling subjects.

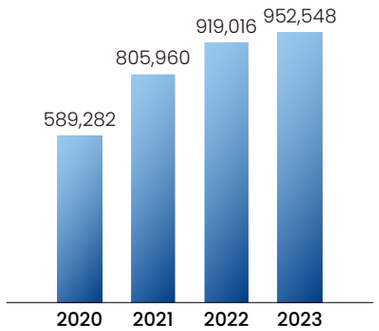
FB704A is undergoing a Phase IIa clinical trial in Taiwan for the treatment of patients with neutrophilic asthma. The exploratory clinical trial program for the second indication for the improvement of chronic kidney disease (CKD) complicated with cardiovascular disease (CVD) is still enrolling subjects. The official phase II clinical trial will be started after preliminary clinical efficacy in humans.

Currently, pipelines under research include FESPIXON® (ON101), FB825, FB704A, OB318, FB918, SNS812. The new drugs cover the disease area including diabetes, asthma, liver cancer, and infection prevention. All the aforesaid diseases fall within the 83 diseases included in the 2022 Access to Medicine Index[1], so the successful development of those new drugs will make tremendous contribution to the health and well-being of the public.

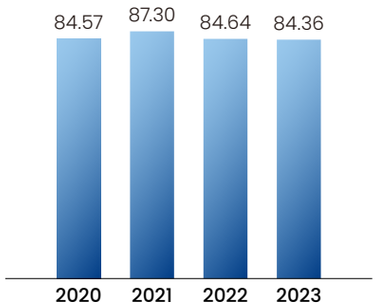
Note: The latest publication on the Access to Medicine Foundation's website. Access to Medicine Index 2022, page 232

R&D Projects/Drugs	Indications	Indications Included in the 2022 Access to Medicine Index	New Treatment Mechanism/New Drug First Seen on the Market
FESPIXON®	Diabetic foot ulcer	✓	✓
FB825	Atopic dermatitis	✓	✓
	Allergic asthma		
FB704A	Severe asthma	✓	✓
OB318	Liver cancer	✓	✓
FB918	Asthma	✓	✓
SNS812	Pan-COVID	✓	✓
Ratio		**100%**	**100%**

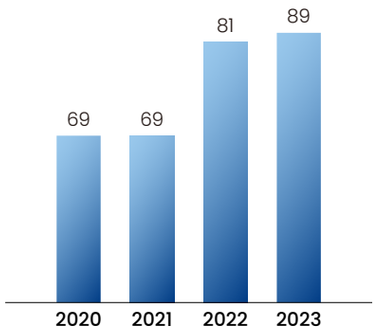
R&D Expenditure
(unit: NTD thousand)



Ratio of R&D Expenditure to Operating Expenses
(unit: %)



R&D Manpower
(unit: number of employees)



Please refer to page 6 of the 2023 Annual Report

ON101(FESPIXON®)

Indications	Diabetic Foot Ulcers (DFU)
Mechanism of Action	▸ Inhibits inflammation ▸ Regulates the generation of collagen ▸ Promotes the regeneration of damaged cells ▸ Promotes the proliferation of human keratinocytes ▸ Reduce inflammatory M1 macrophages, stimulate adipose precursor cells to secrete GCSF and CXCL3, and increase repairing M2a/M2c macrophages, thereby promote complete wound healing1. The mechanism of action studies can be referred to JID Innovations (2022).
Current Status	▸ Phase 3 multicenter randomized clinical trials (MRCT) was completed. ON101 has been demonstrated with 60.7% vs 35.1% (p=0.0001) in complete healing rate in 16-week treatment. A subgroup analysis on difficult-to-heal ulcers also shows the statistical significance, consistency, and robustness of the therapeutic effect of ON101. The related data was published in the international medical journal JAMA Network Open (JAMA Network Open.2021;4(9):e2122607) ▸ Granted a drug approval in Taiwan, Macau, Singapore, Malaysia and China. Under NDA review in the Philippines (by the FDA Philippines, PFDA), Vietnam (by Drug Administration of Vietnam, DAV), and Indonesia (by Badan Pengawas Obat dan Makanan, BPOM). ▸ Granted Fast Track Designation by the US FDA.
Product Advantages	▸ Effectiveness: ON101 has been clinically proven with a significant wound healing effect and can reduce the formation of hypertrophic scars. ▸ Cost advantage: Oneness Biotech implements a streamlined controlled from research and development cultivation of the medicinal plants, production, and quality control to ensure global supply capability and competitiveness.
Market Potentials	According to a market research report by Fortune Business Insights, the global market size of diabetic foot ulcer (DFU) treatment was USD 6.6 billion in 2018, with the compound annual growth rate at 6.8%, and the market size of 2026 is estimated to be USD 11 billion.

FB825

Indications	IgE-related allergic diseases such as atopic dermatitis, allergic asthma, hyper-IgE syndrome, and food allergies
Mechanism of Action	Treats and prevents allergic diseases by inhibiting the B lymphocytes, which express IgE
Current Status	▸ Completed a Phase I clinical trial in the US ▸ Completed a Phase IIa clinical trial atopic dermatitis in the US ▸ A Phase IIa clinical trial in allergic asthma in Taiwan is ongoing ▸ A phase II clinical trial of the subcutaneous injection formulation for moderate to severe atopic dermatitis in Taiwan and the United States is ongoing
Product Advantages	▸ Uniqueness: Has a novel drug target and working mechanism, and inhibits the source of IgE, i.e., the IgE B cells. ▸ Safety: Has a clear pharmacological mechanism and a low chance of side effects. ▸ Extensive use: Has a wide range of indications and is applicable to more allergy and asthma patients than its existing counterparts. ▸ Economy: FB825 has excellent pharmacokinetic properties and can work in the human body for a long time. An administration frequency of once every 2-3 months is anticipated. The advantageous property of being long-acting provides great convenience for patients and helps reduce medical costs.
Market Potentials	According to analysis reports by Allied Market Research and Coherent Market Insights, the global market size of atopic dermatitis/asthma treatment will reach USD 38 billion in 2027.

FESPIXON® cream, which is Oneness Biotech's new drug for diabetic foot ulcers (DFU), is the global first-in-class DFU drug. DFU is the major cause of disability and death of diabetic patients. Amputation may be required if such ulcers are not taken care of properly. According to statistics, every 20 seconds there is a diabetes-related lower-limb amputation somewhere in the world, but the five-year survival rate after the amputation is lower than 60%. Since 1997, the US FDA has approved only one DFU drug to be marketed; all the other drugs failed in their international Phase 3 trials. After thirteen years of perseverance, Oneness Biotech received an approval from the Ministry of Health and Welfare of Taiwan in 2021 on the new drug application for FESPIXON® cream so that the drug can be marketed to satisfy the huge unmet medical needs in DFU and bring new hopes to the treatment of DFU.

FB704A

Indications	Severe asthma (with high neutrophils), autoimmune diseases, i.e. rheumatoid arthritis, systemic sclerosis, and chronic kidney disease induced cardiovascular complications
Mechanism of Action	FB704A can neutralize IL-6 specifically and inhibit IL-6/IL-6R classic- and trans-signaling at the same time, thereby inhibiting inflammatory responses.
Current Status	▸ Completed a phase I clinical trial in the US ▸ Greenlighted to proceed with phase II clinical trials in severe asthma by the US FDA ▸ A phase II clinical trial in severe asthma in Taiwan is ongoing ▸ A phase II clinical trial for chronic kidney diseases with a high risk of cardiovascular diseases in Taiwan is ongoing
Product Advantages	▸ Fully human antibody, low immunotoxicity, and high safety ▸ With high biological activity in inhibiting inflammation. In vitro studies showed superiority over commercially available drugs under a similar mechanism. ▸ With high antibody specificity, FB704A is unlikely to cause infusion reactions, injection site reactions, rates of serious infections, or cancer progression. Besides, it has mild side effects on the hematopoietic system and vital organs (liver, lung, or kidney).
Market Potentials	▸ FB704A (anti-IL-6 Ab) can reduce bronchial hyperresponsiveness as well as the Th1, Th2, and Th17 inflammatory responses of the respiratory tract, inhibit IL-6 classicand trans-signaling pathways, and therefore have a chance of improving the symptoms of severe asthma (with high neutrophils) and severe mixed-granulocytic asthma. Globally, about 110 million people sufferfrom asthma (with high neutrophils)[1], and about 5% of them are severe asthma cases[2], meaning there are about 5.5 million patients suffering from severe asthma(with high neutrophils). The patients with severe asthma (with high neutrophils) tend to have recurrent episodes, which result in huge medical expenses, and yet commercially available drugs are still unable to control the disease effectively. It is estimated that the global market of biologics for treating severe asthma, which is an unmet medical need, may reach tens of billions of US dollars.[3] ▸ Over 800 million people worldwide suffer from chronic kidney disease (CKD), and this number continues to grow. Data Bridge Market Research analysis shows that the CKD market was valued at $13.22 billion in 2022 and is expected to grow to $18.8 billion by 2030, with a projected annual compound growth rate of 4.5% during the forecast period. Kidney damage is associated with chronic inflammation, a key driver of atherosclerotic cardiovascular disease. Despite following guideline-recommended management of cardiovascular risk factors, the high risk of cardiovascular events persists in CKD patients, affecting 50% of the CKD population. The small molecule drug Farxiga® (dapagliflozin), the first FDA-approved SGLT2 inhibitor for treating CKD in 2021, has no biologics approved to reduce cardiovascular risk. According to SVB Securities, Farxiga achieved quarterly sales of $1 billion for the first time in the first three months of 2022, a 67% year-on-year increase, far exceeding Wall Street's expectation of 20%, indicating that chronic kidney disease with a high risk of cardiovascular diseases is a potential medical market. ▸ Many diseases are related to over-activated IL-6/IL-6R signaling. We will continue exploring the application of FB704A to systemic inflammation-related diseases in order to maximize the value of the product.

Reference:
1. Source: Literature Review, Frost & Sullivan Analysis
2. European Respiratory Journal 2018 52: PA3918
3. The Potential American Market for Generic Biological Treatments and the Associated Cost Savings

OB318

Indications	Cancer (e.g., liver cancer)
Mechanism of Action	Has multiple working mechanisms, including inhibiting the growth of cancer cells, inhibiting the angiogenesis of cancer cells, and inhibiting the metastasis of cancer cells.
Current Status	▸ Pre-clinical studies were proceeded in accordance with international R&D standards for botanical new drugs (e.g., the corresponding standards published by ICH and the US FDA). All the established techniques and quality met international standards. The anti-cancer activity of the drug has been verified with various cancer cells, and the safety range of the drug has been evaluated by comparing its toxicological study results with those in normal cells and animal studies. The anti-cancer activity of the Antrodia cinnamomea-based new drug has been validated in different in vivo disease models. ▸ Greenlighted by the US FDA and TFDA (the Food and Drug Administration, Ministry of Health and Welfare of Taiwan) to proceed with the Phase 1 clinical trial. The Phase 1 clinical trial in Taiwan started in 2020.
Product Advantages	▸ Safety: 100 times inhibition of cancer cells than in normal cells (in terms of concentration) and therefore has high selectivity ▸ Effectiveness: Inhibit the growth of a subcutaneously or orthotopically transplanted malignant cancer significantly ▸ Quality assurance: To ensure batch-to-batch consistency of the drug, a proper quality control process has been established for the entire manufacturing process from the raw materials to the finished product. ▸ Monopoly: Oneness Biotech has been granted with patents in many countries for the anti-cancer active components, the drug manufacturing process, and the use of the drug. The patent protection of the product lasts at least till 2035.
Market Potentials	Millions of patients with liver cancer die each year. Hepatocellular carcinoma (HCC) is the most common primary liver cancer and makes up about 90% of all liver cancer cases. As currently available treatment solutions contribute to only a limited increase in the overall survival rate, a new therapy is needed to meet the medical needs in HCC. It is estimated that the market size of liver cancer treatment in 2025 is about USD 5 billion. (Reference: Nature review)

FB918

Indications	asthma
Mechanism of Action	FB918 is a fully-human antibody drug to target interleukin 33 (IL-33). It was developed by Oneness Biotech by screening a human antibody library, and is now in the preclinical development stage. Currently, all the major pharmaceutical companies are enthusiastic in exploring new indications of IL-33 drugs, making IL-33 a promising new drug target.
Current Status	Pre-clinical studies
Market Potentials	Today, the treatment of non-allergic eosinophilic asthma is still an unmet medical need. Patients of this disease show an increase in group II innate lymphoid cells (ILC2), which when stimulated by the IL-33 secreted by epithelial cells cause maturation and migration of eosinophils and thus lead to an attack of the disease. Statistics show that the global market of asthma treatment in 2019 was about USD 18 billion, and the market size is predicted to reach USD 26 billion in 2027.

SNS812

Indications	Pan-COVID
Mechanism of Action	SNS812 belong to a class of nucleic acid medicines called siRNA that uses a gene silencing mechanism (RNA interference, RNAi) to specifically cleave a highly conserved region of SARS-CoV-2 genome and thereby, inhibiting virus replication, and eliminating viruses in cells.
Current Status	▸ In vitro and in vivo preclinical pharmacological studies have been completed, including inhibition of Vero E6 cells and human ACE2 transgenic mice infection, cytotoxicity studies, off-target genes analysis and multi-species (mouse, rat, monkey) toxicological studies. The study results suggest that SNS812 is a candidate for antiSARS-CoV-2 infection with low toxicity, off-target rate and immunogenicity ▸ The results of the Phase I clinical trial in the US were obtained on April 28, 2023, and the final Clinical Study Report (CSR) was received in May. ▸ An application for a Phase II clinical trial was submitted to the US FDA on May 31, 2023, and an application for a multinational, multicenter Phase II clinical trial was submitted to the Taiwan TFDA on June 9, 2023.
Product Advantages	Vaccines and antibodies currently on the market target the most mutated viral spike protein, which is easily escaped by the virus, leading to vaccine breakthroughs and repeated outbreaks of epidemics. SNS812 targets highly-conserved regions of the virus, and is expected to solve the problems of SARS-CoV-2 variants.
Market Potentials	According to the statistics of market analysis agencies, the COVID-19 preventive and therapeutic drug market is 150 billion (IQVIA Holdings) and 25.6 billion US dollars (IncInsightAce Analytic) respectively. SNS812 is currently one of the few drug candidates in the world that can target broad-spectrum of SARS-COV-2 variants.

R&D Rewards

After the marketing of FESPIXON® cream was approved, the Company introduced the "Research Project Subsidy Plan" to encourage medical researchers to make further studies on the academic foundation or clinical applications of treating DFU or other difficult wounds with FESPIXON® cream. The innovative and pioneering research projects can be subsidized by the Plan with NTD 2 million, with the hope of understanding other mechanisms of FESPIXON® cream and expanding its indications. As of the end of 2023, a total of 6 research projects were in the implementation phase. The Company also announced the "Academic Paper Awarding Plan" in order to encourage basic research on, or clinical applications or promotion of the use, of FESPIXON® cream in treating DFU or other difficult wounds. An award ranging from NTD 5,000 to 1 million will be granted in accordance with the international SCI-grade of the journal in which each paper is published.

Industry-University-Institute Collaboration Plans of Oneness Biotech in 2023

Research Subject	Medical Institute	Project Title
Venous Leg Ulcer	Taipei Veterans General Hospital/ Shuang Ho Hospital	A Research Study to Evaluate the Safety and Potential Efficacy of FESPIXON® cream for the Treatment of Venous Leg Ulcers.
Scar-2	Shuang Ho Hospital	Utilizing the Translational Approach to Investigate the Efficacy and Mechanism of FESPIXON® cream and their active compounds in Preventing Hypertrophic Scar, Microenvironment and Chemotacic Epithelial Stem Cells Formation
Biofilm	National Taiwan University Hospital	Exploring the therapeutic effect of FESPIXON® cream on the wound biofilm infection in a diabetic animal model
Pressure Injury	Kaohsiung Medical University Chung-Ho Memorial Hospital/ Wan Fang Hospital	Open-label Study to Evaluate the Efficacy and Safety of FESPIXON® cream for the Treatment of Pressure Injury in Sacrum and Greater Trochanter Wound
Diabetic Foot Ulcer-1	Cathay General Hospital	Evaluate the Safety and Efficacy of FESPIXON® cream for the Treatment of Chronic Diabetic Foot Ulcers (TEXAX 1A, 2A) in dialysis patients
Diabetic Foot Ulcer-2	China Medical University Hospital.	Exploring the Effect of FESPIXON® cream for the Treatment of Diabetic Foot Ulcers (TEXAS 3A, 3B)

Oneness Biotech will keep conducting clinical and non-clinical trials that not only cater for unmet medical needs, but also comply with international laws and regulations, in order to ensure the safety and effectiveness of drugs. We will continue our efforts in developing monopolistically competitive drugs, satisfying medical needs, and creating the operating value of the Company.

Lab Certification and Animal Experimentation

The Nangang Lab received ISO 17025 test laboratory certification from Taiwan Accreditation Foundation (TAF) in July 2020, and the validity period has been extended until August 2026.

In addition, the Nangang Lab (Animal Center for Drug Screening) has established the Animal Care and Use Program and is committed to abide by the 3R principles: Reduction, Replacement, and Refinement to ensure the welfare of experimental animals. The Lab has been in Full Accreditation status accredited by AAALAC International since 2016, which represents that the experimental institution has reached a high level of animal management and use system, thereby enabling the institution to provide accurate and trustworthy research results. The validity period has been extended to 2025.

» Clinical Trial Program of Oneness Biotech

Clinical trials are the critical part of the drug development process. Before use for disease treatment, newly developed drugs must go through clinical trials in order to ensure their safety and effectiveness. All the benefits and potential risks of a new drug must be scientifically proven and verified.

Oneness Biotech complies with the ICH-GCP "Good Clinical Practice" and the Ministry of Health and Welfare's Regulations for "Good Clinical Practice" and "Guidance for Good Clinical Practic"e. We are committed to ensuring the rights, safety, and welfare of trial subjects, the credibility of clinical trial data, and the quality of trial execution. In order to ensure that the entire clinical trial process is conducted safely and ethically with stringent guidelines, Oneness Biotech has established the "Management Procedure for Clinical Trials", with the Chairman serving as the highest-level internal supervision unit. The policy is intended to ensure that all clinical trials comply with applicable regulations and Company rules and are properly documented for future reference and to facilitate tracing.

To safeguard the rights and benefits of human subjects, clinical trials shall be reviewed by a third-party Institutional Review Board (IRB). A subject may contact the Institutional Review Board and investigators according to the information on the Informed Consent Form in order to raise trial-related questions or file a complaint. To maintain its independence, the Sponsor (pharmaceutical company) involved will not contact any of the subjects directly. If a subject suffers inquiries resulting from a drug-related adverse reaction that is not stated in the Informed Consent Form, the pharmaceutical company shall be responsible for compensating for the damage, and the hospital conducting the trial shall provide professional medical care and medical consultation.

The Company regularly holds trial project meetings to supervise the implementation progress and effectiveness of the entrusted clinical trial team. The entrusted clinical trial team is required to regularly monitor whether the hospital trial staff are conducting the trial in accordance with the trial protocol approved by the hospital's Institution Review Board and whether they are accurately reporting any adverse events related to the trial product, in order to protect the rights of trial subjects. They also need to ensure the integrity and traceability of all trail-related documents and preserve them according to the specified deadlines. For clinical trials that are outsourced, the rights and obligations of both parties must be clearly defined in the contract, and problems should be resolved in a timely manner through regular communication.

In order to further reduce the risk of clinical trials and continuously improve the professional knowledge of our employees. Oneness Biotech implements a Risk Management Plan, monitors ongoing clinical trials on a regular basis, and performs education and training for clinical research professionals annually. The 2023 course offerings include:

Clinical Research Professionals Training Courses

- The process and operational procedures related to labeling and material requisition.
- The process for producing labels for drugs and the submission process for independent clinical trial committee approval.
- The regulations for the legitimate management of employee signatures.
- Clinical Trial Management via eDC System.
- Introduction of EU Medical Devices Regulation (MDR)
- TCRA_Issue Management Training

3.3 Pharmaceutical Quality Management

2023 Important Performance

- The manufacturing site passed the API GMP and finished product GMP and GDP inspections by the Taiwan Food and Drug Administration.
- Oneness Biotech passed the Medical Devices Quality Management Systems (QMS) from the Ministry of Health and Welfare.
- No major violation of laws or regulations regarding of medicinal products.
- No product quality-related events that are required to be reported.

GMP Certification Issued by the Ministry of Health and Welfare

QMS Certification Issued by the Ministry of Health and Welfare

ISO 13485 Medical Devices Quality Management System Certificate

Quality Policy

Continuous Quality Improvement for Excellence

- Put emphasis on talent cultivation, information analysis of new drug research and development and technological innovation.
- Focus on meeting customers' ongoing needs while conforming to all appropriate technical standards, regulatory requirements, and customer quality expectations. Commitment to product quality, safety and efficacy is the cornerstone of Oneness Biotech, and the staff comply with the most appropriate regulations and standards to implement international good practice.
- Quality is the responsibility of every employee in Oneness Biotech. From product research and development, regulatory inspection, material preparation, manufacture (including packaging), laboratory testing, product release, to supply chain management on the market side, Oneness Biotech takes the responsibility for checking every link. Oneness Biotech strengthen the product quality through systematic methods and standardized procedures to comply with regulatory requirements in various markets. Use well-defined, standardized and documented operating procedures to scientifically manage the daily work system. Through the effective operation of the quality management system, including the process of continuous improvement in the system and the guarantee of compliance with the requirements of customers and applicable laws and regulations, Oneness Biotech ensures that the company's products can meet the requirements of customers and applicable standards and regulations.

Quality Management Objectives

- The management representative plan and determine the quality objectives that can be quantified and meet the regulations and product requirements before the annual management review meeting.
- To implement quality management system and obtain third-party certification, including ISO 9001 for quality management system and ISO 13485 for medical device quality management system.
- To apply a risk-based approach to control the appropriate processes required by the quality management system, and strengthen product quality through systematic methods and standardized steps to meet the regulatory requirements of various markets and customer expectations.

» Quality and Safety Management, and Code of Practice

A Quality Assurance Center has been established. The Center includes a Quality Assurance (QA) Section and a Quality Control (QC) Section, has professional and experienced qualified staff, and is responsible for managing and supervising quality and safety of products. The Center works to ensure that the quality policies are complied with in each receiving inspection of raw materials, in production, in each finished product inspection, in warehousing, and in transportation, the objective being to ensure drug safety.

The Nanchou Plant has a document system designed according to international standards such as PIC/S GMP and ISO 9001. The quality department is responsible for the issue, review, and management of the documents in the quality document system. To ensure that the documents under control are effectively created and maintained, standards have been established, and standard operating procedures and forms are required to be implemented to ensure the quality and safety of products.

» Implementations and Actions of Quality Management

(1) Measures to Assess and Manage Quality Safety Risks

The management of product quality risks is carried out according to such "Risk Management Principles" as PIC/S GMP Annex 20 Quality Risk Management and ICH Q9 Quality Risk Management. The scope of assessment includes raw materials, supplies, finished products, the support system, manufacturing processes, equipment and machines that may affect drug safety, product quality, regulatory requirements, and so on.

The Risk Priority Number (RPN) is used for risk classification, and risk reduction plans are made accordingly. It is then determined whether the risk events under assessment are acceptable. If not acceptable, the risk reduction plans will be modified according to the "Change Control Procedure" or the "Operating Procedure for Correcting/Preventing Anomalies".

Risk assessment is performed on the critical quality attributes (CQA) of products, manufacturing processes, and critical manufacturing process parameters by the SME team members (R&D experts, technology transfer personnel, engineers, QA personnel, and QC personnel), and the assessment results are recorded. Once the corresponding reports are prepared, the responsible departments will be notified to perform preventive or corrective actions on items of relatively high risks until the risks are lowered to acceptable levels.

(2) Quality-Related Education and Training Based on PIC/S GMP and GDP

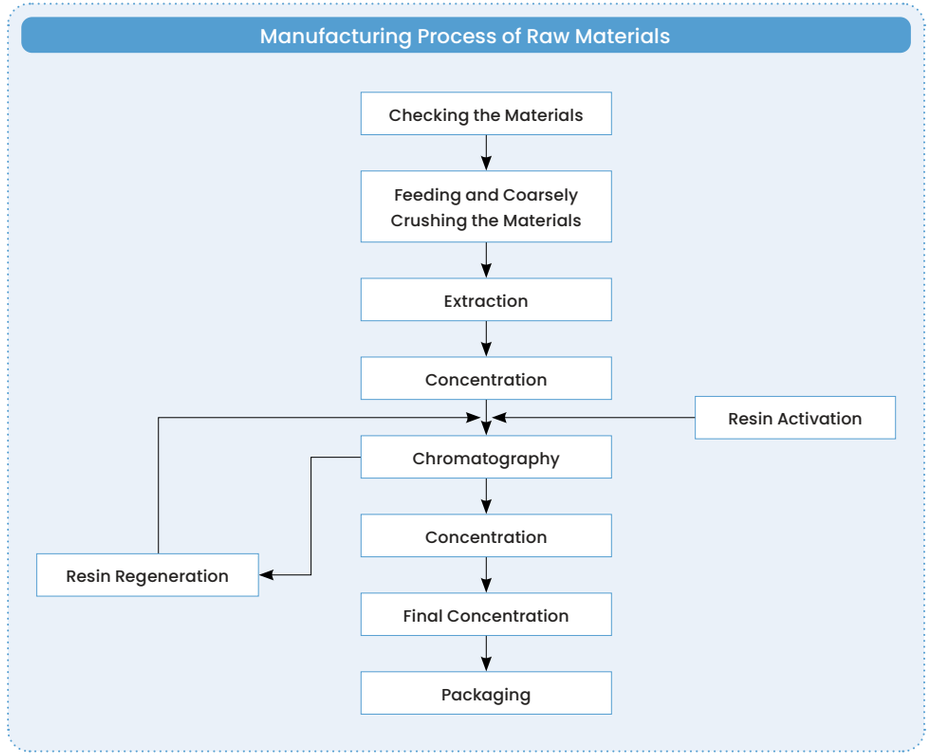
The Company places great emphasis on the education and training of employees. Not only must the key personnel defined by law be trained by external institutions and acquire the corresponding credit, but also all the employees are required to complete education and training related to their respective positions and pass the corresponding exams before they are allowed to perform the tasks assigned to them. According to the regulations on internal education and training, training assessment can be carried out through a written exam, an oral exam, and/or hands-on operation, and it is required that the score of assessment be 90 or above.

To ensure that the staff of the Nanchou Plant have professional knowledge related to the "Good Manufacturing Practice for Medicinal Products" (PIC/S GMP) and the "Good Distribution Practice for Medicinal Products" (PIC/S GDP), the Company has provided a series of courses and has required all the colleagues associated with manufacture and/or quality assurance to take the courses and pass the corresponding exams.

(3) Production Equipment and Manufacturing Processes

Active Pharmaceutical Ingredients(API):

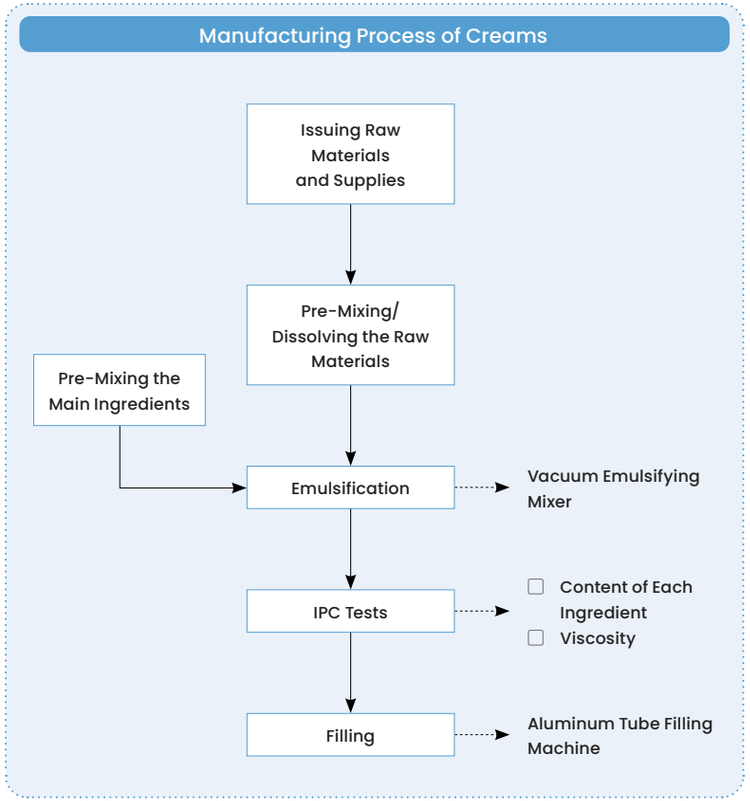
The API manufacturing site is composed of an extraction system, concentration systems, a chromatography system, and a distillation system. Each system has, and can be controlled with, an independent man-machine interface. All the manufacturing stages are automatically controlled to ensure operational consistency between different units and product consistency. All the units are monitored and managed according to established procedures. The API production area is an explosion-proof area because of the use of organic solvents. Any equipment that is used in the API manufacturing process and has relatively great safety concerns is subjected to nitrogen purgation to reduce the amount of oxygen in the equipment, lest static electricity or an overly high concentration of organic vapor cause personal or property damage. To protect the safety of on-site operating personnel, the manufacturing area is equipped with organic solvent detectors and oxygen level detectors that provide 24-hour monitoring of the operation area.



Cream Medicinal Product

The Plant was designed according to the strictest PIC/S GMP specifications and is managed according to the corresponding SOP in order to produce safe and conforming finished products, i.e., the FESPIXON® cream. Raw materials weighing, mixing, emulsification and filling of cream products are carried out in the regulated D-level operation area. The rooms of, and the line of motion in, the grade-D operation area were designed to meet the PIC/S GMP requirements.

The cream products are packaged in the general operation area. Once the tubes are filled and sealed, the finished cream products pass through a wall to enter the packaging room in the general operation area, where the products are boxed and inspected before being transferred to the warehouse.



(4) Quality Review, Tracking, and Improvement

The Nanchou Plant performs an annual product overall evaluation according to the "Standard Operating Procedure for Annual Product Quality Review". At the beginning of each year, a product quality review report for the products produced in the previous year shall be completed. The potential effects and risks of any product quality-related issue shall be evaluated according to the data of trends, change control, deviations, deviations from trends, follow-ups of the corrective or preventive actions taken, customer complaints, rejected products, and other related data. The stability of a manufacturing process and the principles of subsequent handling shall be determined according to the process capability index (CpK).

The Nanchou Plant has an internal audit procedure by which internal audits and tracking are performed to ensure that plant operations meet the requirements of the quality management system and can be carried out continuously and effectively. Quality audits within the quality system shall be scheduled according to the operations of the to-be-audited departments and the importance of the to-be-audited items. In principle, at least one audit shall be conducted per year. The operating procedure for an internal audit and the related documents shall cover the scope, frequency, method, authority, and planning of the audit, the requirements for implementing the audit, and how the audit shall be recorded.

(5) Drug Traceability and Recall

An effective drug traceability system helps ensure and enhance patients' medication safety. Each batch of products is given a batch number or product serial number, and the corresponding records of receiving inspection, production, and examination shall be kept so that when there is a problem with quality, the production and inspections of the product in question can be traced through the corresponding records. These records serve as reference information for use in customer complaint investigation and handling and in the formulation of corrective or preventive measures.

Customer complaints about drug defects shall be dealt with according to the "Customer Complaint Procedure". If a customer has a concern or a complaint about drug quality, a cause analysis and liability identification shall be performed according to the corresponding reference sample in the plant, in order to determine whether the customer complaint in question is a quality-related complaint or a non-quality-related complaint. If it is a quality-related customer complaint, a comprehensive investigation must be carried out, and corrective/preventive measures must be taken, in order to close the case.

If a counterfeit drug or prohibited drug is suspected, the logistic companies and those responsible for quality assurance in the Company shall be informed within 24 hours, and the sale and distribution of the batch involving the suspected counterfeit or prohibited drug shall be stopped. The stock of the batch in question shall be stored in a concentrated manner and physically isolated to prevent misuse. The QA personnel shall conduct a deviation or customer complaint investigation, reconfirm the package identification of the corresponding stock, sample the stock, and perform a total chemical analysis on the sample in a lab to determine the drug as genuine, counterfeit, or prohibited. If the analysis result reveals the drug as a counterfeit or prohibited drug, a drug recall operation shall begin immediately.

In order for the drug recall operation to begin, the Quality Assurance Center is responsible for drafting the drug recall plan. Once the highest-level responsible executives decide to approve the plan, the related sales unit shall work with the logistic companies to check the sale of the batch of products in question, communicate with the customer with regard to the recall of that batch of products, and manage the recalled products and the related sales and distribution documents. At the end of the recall operation, the QA personnel shall prepare a recall report and submit the report to the competent health authority. During the recall operation, the QA personnel shall supervise and follow all the activities in order for the drug recall to be completed by the specified time limit.

If no recall operation has taken place in the entire year, the Quality Assurance Center shall initiate at least one simulation audit and prepare the corresponding simulation audit plan in order to link the operations of the related departments of the Company to the market-end operations according to the plan.

(6) Monitoring of Environment Quality

The maintenance and monitoring of the production and warehouse environment are crucial to the quality and safety of products. The manufacturing areas of the Nanchou Plant are controlled against cross-contamination of active substances, with the flow of people separated from the material flow. All the related facilities, critical public equipment, instruments, and procedures have been validated to ensure compliance with design standards. The temperature, humidity, suspended particles, and pressure difference in the entire plant are strictly controlled to meet specification requirements and to prevent the risk of cross-contamination. A surveillance alarm system is also in place so that the responsible personnel will be notified of any detected abnormality by way of mobile phone short messages. The air conditioners of the grade-D clean room are provided with 99.97% HEPA filters, and the return air system is mounted with 30% pre-filters. All the filters are replaced periodically. An operating procedure for cleaning the factory environment has been established, stipulating the methods and frequencies of cleaning and disinfection of the factory environment.

(7) Drug Storage and Transportation

A "Warehousing Operation Control Procedure" for the warehousing of raw materials, supplies, and finished products has been established according to the PIC/S GMP and GDP specifications. The Warehouse Section is responsible for performing receiving inspection on incoming goods after the goods are unloaded. The receiving inspection includes inspecting the environment around logistic vehicles, confirming the identity of qualified suppliers, counting the items delivered, checking the exterior of incoming goods, and so on. Raw materials, supplies, and finished products shall be stored in the quarantined area or on the quarantined racks (for dried medicinal herb and finished products) in order to be inspected. Items that are determined by QC inspection as conforming shall have their external packaging attached, by the QA personnel, with a label indicating conformity and be transferred to the conforming goods storage area in the warehouse by the Supplies Section personnel.

Product transportation from the Nanchou Plant is entrusted to GDP certified logistic companies to cover the transportation in Taiwan including the remote areas, and for the offshore islands of Taiwan, the transportation is entrusted to the assigned contractors by Kerry Pharma Logistics.

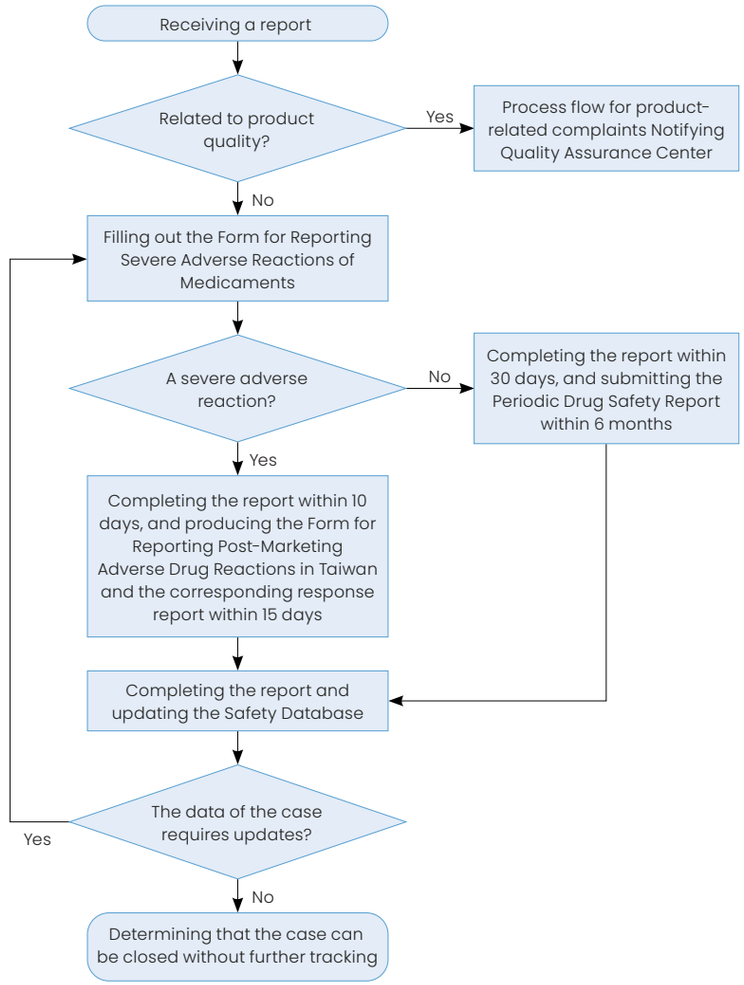
3.4 Pharmacovigilance

"Pharmacovigilance" refers generally to the measures taken to monitor the safety of a drug whose marketing has been approved. The scope of pharmacovigilance includes risk management as well as the detection, analysis, and evaluation of signals indicating doubt about drug safety. Oneness Biotech has created a "Pharmacovigilance System" according to the Pharmaceutical Affairs Act, the Regulations for the Management of Drug Safety Surveillance, the Regulations for Reporting Serious Adverse Drug Reactions, the Guidelines for Filling Out Forms for Reporting Serious Adverse Drug Reactions, the ICH Guideline E2C (R2) on Periodic Benefit-Risk Evaluation Report (PBRER), and so on. The company established the Post-Marketing Drug Quality Monitoring System, which, due to organizational restructuring in September 2023, is now led and coordinated by the Regulatory Affairs Team under the President's Office. The Quality Assurance Center, the R&D, sales, clinical, and IT departments collaborate to ensure that the system is in normal operation and that all the necessary documents are prepared, archived, and reported as required. During the reporting period of 2022-2023, no serious adverse drug reactions were reported.

Medical personnel, patients, and the caregivers of patients may report information related to the experience of an adverse reaction of a medicament through a sales representative, the customer hotline, or the dedicated email address (medicalscience@onenessbio.com.tw) of the Company. When receiving such a report, the Regulatory Affairs Team is responsible for filling out the Form for Reporting Severe Adverse Reactions of Medicaments; contacting the reporter in order to obtain more detailed information; and evaluating, reporting if necessary, preparing a report for, and updating the Safety Database in accordance with, the reported case according to the "Procedure for Pharmacovigilance Reports". In addition, the Regulatory Affairs Team shall classify, and perform a statistical analysis and trend analysis on, the reported cases on a regular basis, present the classification and analysis results in the "Periodic Drug Safety Report", and submit the report to the National Adverse Drug Reaction Reporting Center, the Ministry of Health and Welfare according to a specified schedule.

Oneness Biotech collects cases of adverse drug reactions through the monitoring system, has created and maintains a report database, and keeps monitoring the safety of the approved drugs, in order to protect patients' safety and take on responsibilities for its products and to patients using the products.

» Procedure for Post-Marketing Drug Quality Monitoring Reports



» Ethical Marketing

Sales Activities of Medicinal Drugs in Line with WHO Ethical Criteria for Medicinal Drug Promotion

Oneness Biotech has formulated the "Codes of Ethical Conduct" and "Marketing and Sales Code of Conduct". It is required that marketing and sales personnel must comply with relevant laws and regulations and the recognized ethical standards of the pharmaceutical industry. Marketing documents must be internal reviewed to ensure the content is consistent with the indications and in compliance with regulatory requirements. The Company regularly (quarterly/yearly) organizes education and training to educate relevant personnel to sell medicines properly; and shares share medical information with medical service providers and patients in an open, transparent, and timely manner to avoid information asymmetry. In 2023, there were three customer complaints related to drug sales. None of these cases affected the safety and efficacy of the products, or violated laws/regulations. After further clarifition, one was identifed and found to be unsubstantiated. The other two are packaging damage. All these 3 complaints are not regulatory complaints nor self-regulatory complaints.

Internal Audit

Oneness Biotech set up an Audit Office under the Board of Directors as an independent audit unit. The Company conducts Ethics Audit in accordance with the "Marketing and Sales Code of Conduct" and "Codes of Ethical Conduct", and the internal audit unit regularly reports the inspection results to the Audit Committee and the Board of Directors. Major violation cases should be reported immediately to the members of the Audit Committee and transparently disclosed in the ESG report. There was no violation in 2023.

3.5 Pharmaceutical Supply Chain Management

» Botanical New Drug

Upstream	Midstream	Downstream
Stage for preparing the raw materials needed for drug production	Stage for processing raw materials and botanical materials	Distribution channels of prescription drugs, hospitals, and clinics

» New Antibody Drug

Upstream	Midstream	Downstream
Industries related to the early stages of drug research and development, such as suppliers of biotech reagents, raw materials, and equipment; IT service providers; and academic research institutions	Industries related to the pre-clinical and clinical stages of drug development, such as R&D-oriented biotech companies, institutions engaging in research and clinical trials, and institutions engaging in drug production	Industries related to the sale of drugs, such as those engaging in drug packaging, transportation, warehousing, marketing, and retailing

Oneness Biotech established the "Supplier Management Procedure" as early as 2017. This operating procedure specifies the procedures for the assessment, evaluation, and approval of raw material and supplies suppliers to ensure that raw materials and supplies are purchased from qualified suppliers, and that the raw materials and supplies used in the drug production process meet their quality requirements. The measures for supplier evaluation and management in relation to FESPIXON® cream are described below as an example.

Classification of Supplier Risks

The risks of the suppliers for FESPIXON® cream are classified into the following levels according to Oneness Biotech's "Supplier Management Procedure" and the attributes of the products supplied:

Classification	Supplier Sub-classification	Risk Level of Suppliers
Raw material supplier	Critical material	CL1
	Excipient	CL1/CL2
Material supplier	Primary packaging material	CL2
	Secondary packaging material	CL4
Others	Materials that do not fall within the foregoing sub-classification but are used in the manufacturing process, such as solvents and resins, etc.	CL3

Examination and Evaluation of New Suppliers

In order to have active control of supplier risks in relation to sustainability, Oneness Biotech examines all the supplier risk states when they first apply with us, the examination including a preliminary risk assessment based on a supplier's business license, tax payment certificate, company profile, quality certificates, and certificate for Environment, Health and Safety (EHS).

According to Oneness Biotech's "Supplier Management Procedure", the examination items of a new supplier are as follows:

Examination Item	Supplier's Level of Risk				
	CL1	CL2	CL3	CL4	CL5
Supplier Questionnaire on Quality	✓	✓	✓	✓	✓
Supplier Information Form	✓	✓	✓	✓	✓
Quality Tests (including ESG performance)	✓	✓	✓	✓	✓
Functional Tests	✓	✓			
On-site Audit	✓				

Supplier Code of Conduct

Oneness Biotech teams up with suppliers to create sustainable enterprises. The Supplier CSR Commitment Letter has been formulated with reference to the related international initiatives and requirements, including the UN Global Compact, the Universal Declaration of Human Rights, and the UN Framework and Guiding Principles on Business and Human. All the suppliers are required to sign the Letter. As of the end of 2023, a total of 47 suppliers have signed the Commitment Letter. The main contents of the Letter include the following sustainability-related items:

- Environmental protection policies
- Prohibiting child labor
- Protect basic labor rights, including the right to work and the freedom of assembly
- Guaranteeing working hours and work conditions
- Complying with laws and regulations related to occupational health and safety.
- Ethical operation and comply with business ethics

Management Measures for Existing Suppliers (Qualified Suppliers)

As of the end of 2023, Oneness Biotech had 21 collaborating suppliers for the new drug FESPIXON® cream. The levels of risk of those suppliers have been evaluated periodically and are as follows:

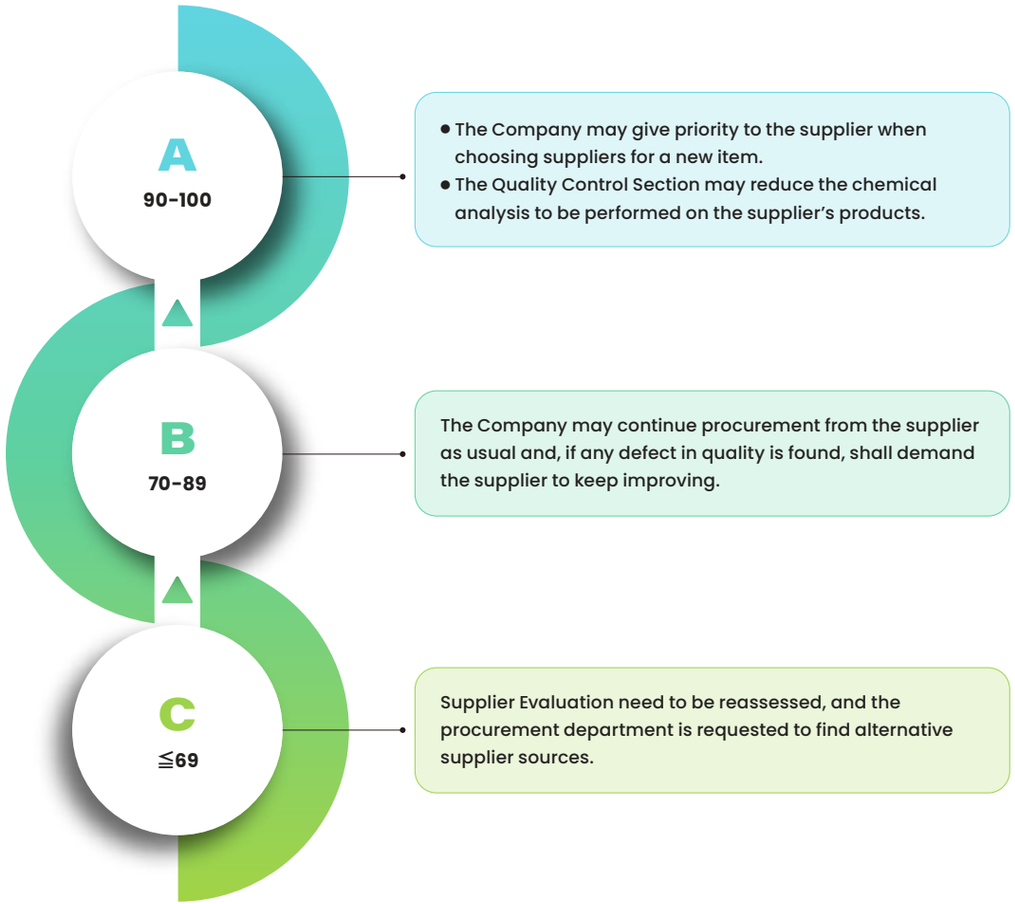
Level of Risk	CL1	CL2	CL3	CL4	Total
Number of Suppliers in 2023	2	13	2	4	**21**

Evaluation items

- Cooperativeness — 25%
- Delivery Dates — 25%
- Raw Material/ Supplies Quality — 25%
- The Quality System (including ESG Performance) — 25%

Grading Results of Supplier Evaluation

Oneness Biotech issues the "Supplier Assessment Form" on a regular basis in order for each supplier to fill out the form according to their cooperativeness, delivery dates, raw material/supplies quality, and quality system(including ESG performance), thereby allowing the Company to know each supplier's operational risks. A supplier will be disqualified if the total score of supplier assessment is lower than 70 or if the suppler has been found to have a major deficiency that may impair product quality.



Frequency of Evaluation

The following annual evaluation and review plan is made according to the "Supplier Management Procedure" and with reference to the grades of critical material suppliers and the annual evaluation results:

Level of Risk	Grade A	Grade B	Grade C
CL1	Every three years	Every two years	Every year, and monitoring the progress of improvement closely
CL2	Every four years	Every three years	
CL3	Every five years	Every four years	
CL4	Every six years	Every five years	

As of the end of December 2023, the Company completed the evaluation of all its suppliers according to the evaluation and review plan.

On-Site Audits

The timing of conducting an on-site audit is as follows:

- When evaluating a new supplier candidate
- When conducting a regular audit on an existing supplier (according to the Annual Supplier Audit Plan)
- When an existing supplier has a major defect in quality (e.g., when a quality-related customer complaint is attributable to the supplier as indicated by investigation results)

» Survey and Evaluation of Sustainability-Related Risks

In order to control the suppliers' sustainable risks, Oneness Biotech assess all the supplier risk states when they apply to be our cooperated companies. The assessment including a preliminary risk assessment based on a supplier's business license, tax payment certificate, company profile, quality certificates, and safety-, health-, and environment-related certificates. In addition, the "Supplier Assessment Form" is issued on a regular basis in order for each supplier to fill out the form according to their cooperativeness, delivery dates, raw material/supplies quality, and quality system, and for the Company to know each supplier's operational risks. A supplier will be disqualified if the total score of supplier assessment is lower than 70 or if the supplier has been found to have a major deficiency that may impair product quality.

In 2022, Oneness Biotech revised the "Supplier Management Procedure" and added the Supplier Self-Assessment Questionnaire (SAQ), which, in addition to the items in the existing "Supplier Assessment Form", includes ESG assessment items such as environmental protection, labor conditions, human rights, and corporate governance. The additional items and the existing items of cooperativeness, delivery dates, raw material/supplies quality, and quality system jointly constitute the supplier risk evaluation. The new Procedure has been formally implemented in the second half of 2022, and the evaluation result will serve as an important reference for procurement policies of Oneness Biotech. As to high-risk suppliers, Oneness Biotech will conduct factory audits in order to propose suggestions and help to make improvements, with the objective to create a sustainable environment with the suppliers.

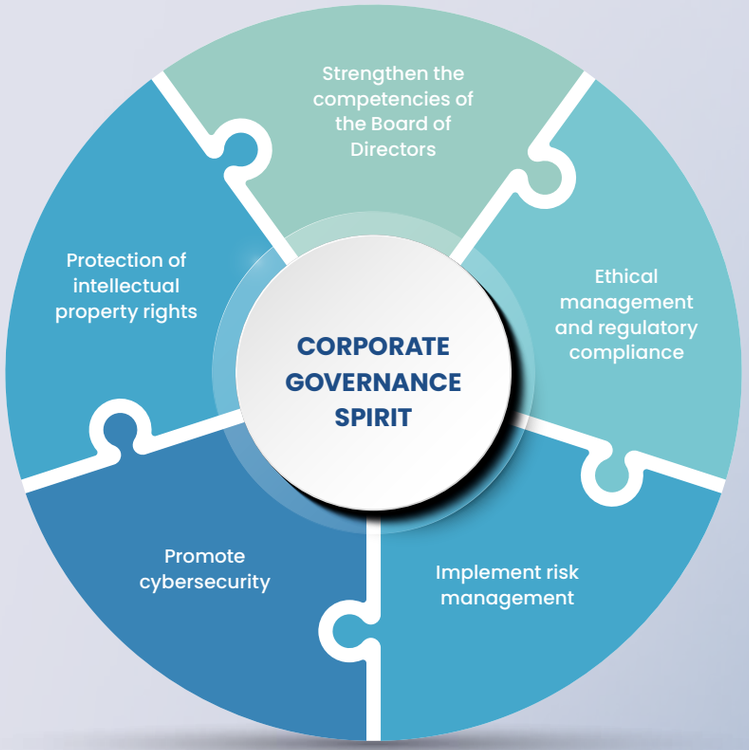
04 Corporate Governance

Oneness endeavors to promote a transparent and ethical corporate governance culture by enhancing the performance of the Board of Directors, implementing a rigorous internal control system, and managing the financial operations of the Company in a stable manner so as to mitigate the risks of corporate management and enhance the competitiveness and social identity of the Company. Oneness Biotech also aims to build an ethical and responsible corporate culture by obeying applicable laws and regulations, implementing ethical management, and establishing a sustainable corporate governance structure to ensure the sound development of company management, and safeguarding the rights and interests of investors and other stakeholders.

2023 KEY PERFORMANCE

Transparent and ethical corporate governance culture

- Ranked among Top 5% in TPEx-listed companies and Top 10% in TWSE or TPEx-listed companies in the non-finance and non-electronics industry with a market value of NTD 10 billion or more for 3 consecutive years in the Corporate Governance Evaluation of Taiwan. (2022~2024)
- Independence and Diversity of the Board: 57% are independent directors and 43% are female directors.
- In compliance with relevant laws and regulations of each country, and no major violations related to corruption and bribery, customer privacy, conflicts of interest, antitrust laws, money laundering, and insider trading
- Passed ISO 27001 Information Security Management System certification. Zero incidence of major cyber security incident.
- Passed Taiwan Intellectual Property Management System (Grade A) Validation and Review. Zero incidence of major trade secret leakage.



MATERIAL TOPICS AND 2025 SUSTAINABILITY TARGETS

Topic	Strategy	2025 Targets
Legal Compliance	Compliance with applicable laws and regulations, ongoing reinforcement of compliance awareness on the part of employees, prevention of legal violations.	▸ Zero incidence of major legal violations each year. ▸ Ongoing implementation of ethical and legal compliance training and testing each year.
Cyber Security	Establishment and implementation of a sound cyber security management system to prevent major cyber security incidents.	▸ Zero incidence of major cyber security incidents each year. ▸ Decrease of phishing success rates to 5% or lower through social engineering drills each year. ▸ Cyber security training completion rate of 95% or more each year.
Intellectual Property Management	Strengthening of the IPR management mechanism and optimization of IPR protection for new drug development.	▸ Attainment of more than three new patents by 2025. ▸ Zero incidence of major trade secret leakage each year.

Definition of Major Incidences: According to the material information listed by the Financial Supervisory Commission Taiwan.

GOVERNANCE

Risk Management Committee
Master risk management and supervise the implementation status of response plans.

Sustainable Development Team
Analyze global sustainability trends and facilitate cross-ministerial coordination and cooperation.

Information Department
Promote and implement cybersecurity management to improve information security protection capabilities and comply with laws and regulations.

Audit Office
Manage and review the intellectual property management system to protect R&D and innovation achievements to maintain product value and future profitability.

STRATEGY

Implement the "Ethical Corporate Management Best Practice Principles" to strengthen the functions of the Board of Directors, introduce the TIPS management system to strengthen intellectual property portfolio, continued accumulation of IPR, and reinforcement of R&D capabilities.

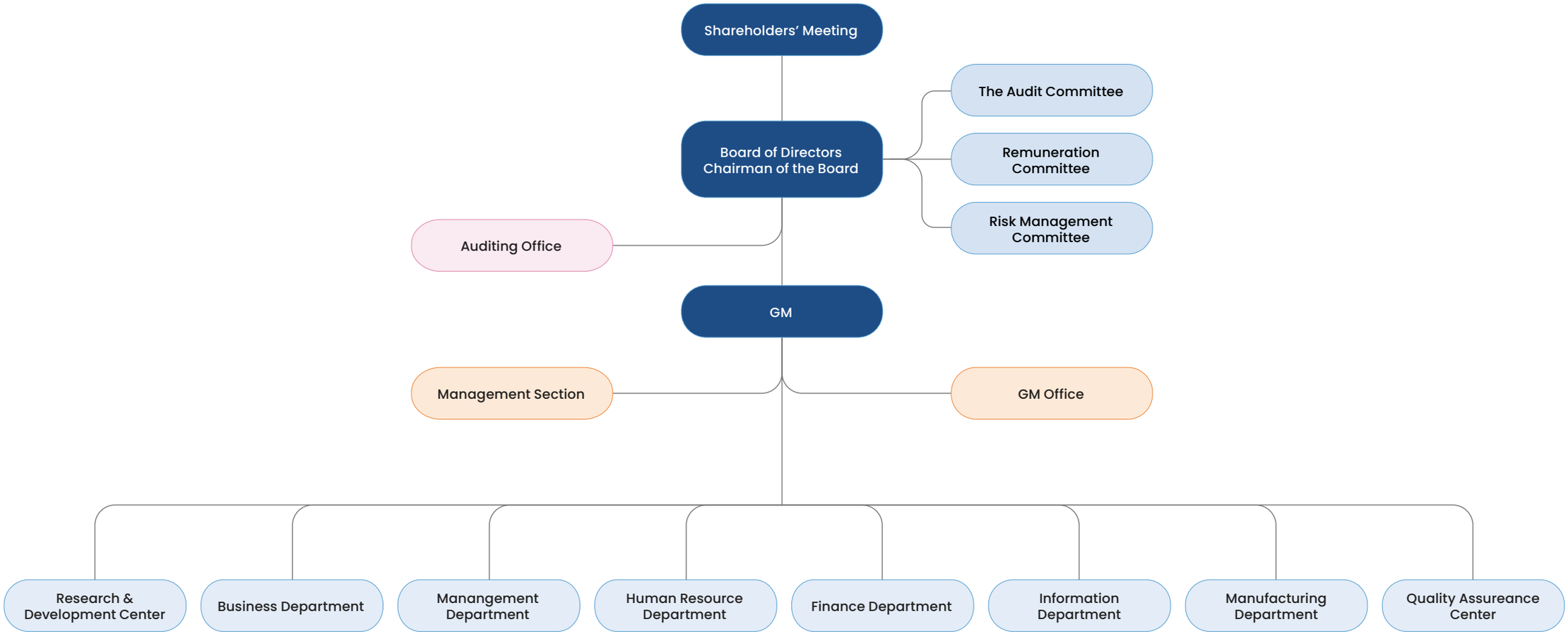
2023 IMPLEMENTATION RESULTS

- The average number of hours of training per employee on "Ethical Corporate Management and Legal Compliance" reached **5.4** hours
- There were no major cybersecurity incidents this year, and the average employee training coverage rate for cybersecurity education is **60**%.
- In 2023, the phishing success rate is **9.13**%.
- Number of patent applications for intellectual property, **150** trademarks domestically, and **83** abroad.

Implementation status of legal compliance in 2023 (including the number of violations, fines, and non-monetary penalties)

- Incidence of corruption or bribery ..... **0** Incidence
- Incidence of personal data or privacy information leakage ..... **0** Incidence
- Incidence of conflicts-of-interest ..... **0** Incidence
- Incidence of anti-competitive, antitrust, or market manipulation behavior ..... **0** Incidence
- Incidence of money laundering or insider trading ..... **0** Incidence
- Incidence of human rights violations, forced labor, child labor, or human trafficking ..... **0** Incidence
- Incidence of discrimination or harassment ..... **0** Incidence
- Incidence of any other significant violations related to labor laws, environmental protection, occupational safety, etc. ..... **0** Incidence

4.1 Governance Structure



The Board of Directors

The Board of Directors is the highest governing body, responsible for formulating the company's business strategy and being accountable to shareholders and other stakeholders. The members of the Board of Directors have exercised the duty of care of a good administrator to plan the Company's operating policies, reviewed the financial performance, and ensured that the Company's operations are in compliance with applicable laws and regulations.

Directors of Oneness Biotech's Board of Directors are elected through a candidate nomination system, re-elected periodically with the merit-based principle, not limited by gender, age, ethnicity, or nationality, and composed with gender equality. The Board of Directors of 2023 includes 7 Directors (including 4 Independent Directors) with the term of office of three years, and 43% of the Directors are female.

To strengthen corporate governance, the Board of Directors as a whole shall at least possess operational judgment ability, accounting and financial analysis ability, operational management ability, crisis management ability, industrial knowledge, international market perspective, leadership, decision making ability, and risk management knowledge and ability. For members of the Board of Directors who held position in the Company or in any other companies, please refer to page 37 of the 2023 Annual Report.

The 8th term of directors (including independent directors) of the Company are elected in 2024 general shareholders meeting. This Company's 7 directors (including 4 independent directors) are elected for a term of 3 years from May 21, 2024 to May 20, 2027. Disclosed at the "Investors/ Governance/ Board of Directors" area of the Company's website.

The 7th Term of Directors

Board		Chairman	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name		Huang, Shan-Ney	Lin, Yi-Fu[1]	Microbio Co., Ltd. Representative: Hsu, Shih-Hua	Huang, San-Kuei	Lu, Suei	Wu, Rey-Yuh	Huang, Jui-Wen
Nationality		●	●	●	●	●	●	●
Gender		♂	♂	♂	♂	♀	♀	♀
Age		81-90	81-90	61-70	71-80	61-70	71-80	41-50
Attendance in the Board Meeting[2]		100%	91.67%	100%	100%	100%	100%	91.67%
Diversification of the Board of Directors	Operational Judgment	✓	✓	✓	✓	✓	✓	✓
	Accounting and Financial Analysis		✓	✓				✓
	Operation Management	✓	✓		✓	✓		✓
	Crisis Management	✓	✓		✓			✓
	Industrial Knowledge	✓	✓	✓	✓	✓	✓	✓
	International View	✓	✓		✓		✓	
	Leadership	✓	✓		✓			✓
	Decision Making Ability	✓	✓		✓			✓
	Risk Management Knowledge and Ability	✓	✓	✓	✓	✓	✓	✓

Note:
1. Director Lin, Yi-Fu took office as a result of the by-election at the annual general meeting on May 24, 2022.
2. In accordance with the law, the company held 12 board meetings throughout the year 2023, with at least one meeting convened every quarter.

Board Performance Evaluation

In order to establish a sound operating system for the Board of Directors, improve the supervision function, and ensure the independence of independent directors when executing their duties, the Board of Directors has established the "Rules of Board Meetings" and the "Scope of Duties and Responsibilities of Independent Directors" to give them the resources to exercise their powers.

The Board of Directors shall exercise a high degree of self-discipline in the implementation of recusal to avoid conflicts of interest. Any Director who has, or who represents a legal entity that has, a stake in a motion in a Board meeting must explain the important content of their stake and, if there are concerns of harming the Company's interests, may not participate in discussion or voting, i.e., shall recuse themselves from the discussion or voting; moreover, they may not exercise their voting rights on behalf of other Directors.

The Company has adopted the Rules for Performance Evaluation of the Board of Directors, and the scope of evaluation covers the entire Board of Directors, individual Board members, and functional committees.

Board Performance Evaluation and Measurement Items

- Participation level in the management of the Company
- Enhancement of the decision-making quality of the Board
- Composition and structure of the Board of Directors
- Election and continuing education of directors
- Internal control

Functional Committee Performance Evaluation and Measurement Items

- Participation level in the management of the Company
- Comprehension of the responsibilities of the functional committee
- Enhancement of the decision-making quality of the functional committee
- Composition of functional committee and appointment of members
- Internal control

The evaluation is conducted once a year by the Finance Department with internal questionnaires. The evaluation is based on the operation of the Board of Directors, the participation of the directors, the operation of the Remuneration Committee and the Audit Committee, covering the operation of the Board of Directors by the directors, the evaluation of the participation of the directors by the directors, and the evaluation of the operation of the Audit Committee and the Remuneration Committee by the Company.

Evaluation Results

- The 2023 Board of Directors performance evaluation was awarded a score of 5 out of 5. The result was submitted to the Board of Directors on January 12, 2024.
- The 2023 functional committee performance evaluation (including the Audit Committee and the Remuneration Committee) was awarded a score of 5 out of 5. The result was submitted to the Board of Directors on January 12, 2024.
- The self-evaluation results of the Board of Directors, the Audit Committee, and the Remuneration Committee in 2023 were all excellent, and the overall operation was good.
- In September 2023, the external independent corporate governance evaluation organization "Taiwan Corporate Governance Association" was appointed to conduct the performance evaluation of the Board of Directors, and the performance evaluation report has been submitted to the Board of Directors Meeting.

In order to further enhance the operation effectiveness of the Board of Directors, the Rules for Performance Evaluation of the Board of Directors was revised to specify that an external professional independent organization or an external team of experts shall be appointed to conduct the performance evaluation at least every three years.

In order to effectively manage risks and increase the willingness of professional talents to serve as Directors, Oneness Biotech obtains directors liability insurance for the Directors so that they can exercise their duties without concerns. At the same time, this will reduce and mitigate risks of significant damages to the Company and shareholders resulting from mistakes or negligence of the Directors.

To help the Directors better respond to issues related to regulatory compliance and governance practices during their corporate management, the Company has actively encouraged the Directors to take related professional courses. In 2023, the Directors received a total of 45 hours of education. In the future, the Company may also arrange professional courses related to corporate social responsibility for the Directors.

Note: For details regarding the operations of the Board of Directors, please refer to page 46-47 of the 2023 Annual Report.

Functional Committees

To develop supervisory functions and enhance the competitiveness of the Company, the Board of Directors has set up Audit Committee and Remuneration Committee to complete the Board's operations. In addition to independently exercising their functions and powers in accordance with laws and regulations, functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval.

Functional Committees	Introduction	Main Responsibility	Title	Name	Independence	Attendance
The Audit Committee[1]	The Audit Committee of Oneness Biotech is composed of all of the Independent Directors and helps the Board of Directors monitor the quality of the Company's execution of accounting, auditing, financial reporting procedures, and financial controls. The Audit Committee also submits evaluation results to the Board of Directors for discussion and recognition. The Audit Committee Meeting shall be held at least once per quarter. In 2023, a total of 11 Audit Committee Meetings were held.	▸ Establishment or modification of the internal control system. Also, evaluation of the internal control system for its effectiveness. ▸ Establishment or modification of procedures for significant asset or derivatives transactions, capital loans, endorsements or guarantees. ▸ Matters involving own interests of Directors. ▸ Material asset or derivative transactions. ▸ Major loans, endorsements or guarantees thereof. ▸ Offering, issuing or private enlisting of marketable securities. ▸ Appointment, discharge or remuneration of certified public accountants. ▸ Appointment and discharge of supervisors of finance, accounting or internal audit. ▸ Annual financial statement and semiannual financial statement. ▸ Other major matters specified by the Company or the competent authority.	Convener	Huang, San-Gui	Independent Director	100%
			Member	Wu, Rey-Yuh	Independent Director	100%
			Member	Lu, Suei	Independent Director	100%
			Member	Huang, Jui-Wen	Independent Director	90.91%
The Remuneration Committee[2]	In order to provide a sound remuneration system for the Directors and managerial officers, Oneness Biotech evaluates the management performance of the Directors and managerial officers and whether the remuneration they receive is fair and reasonable. The Remuneration Committee also submit the suggestions to the Board of Directors for discussion. The Remuneration Committee Meeting shall be held at least twice a year. In 2023, a total of 9 Meetings were held.	▸ Formulate and regularly review the policies, systems, standards and structure of performance evaluation and compensation of Directors and Managers. ▸ Evaluate and determine the compensation of Directors and Managers on a regular basis.	Convener	Huang, San-Gui	Independent Director	100%
			Member	Wu, Rey-Yuh	Independent Director	100%
			Member	Lu, Suei	Independent Director	100%
			Member	Huang, Jui-Wen	Independent Director	100%
The Risk Management Committee[3]	By identifying, assessing, monitoring, responding to, and reporting potential risks, various risks that may arise in operational activities are maintained within manageable limits and serve as a basis for formulating business strategies. The Risk Management Committee Meeting shall be held at least once a year. In 2023, a total of 1 Meetings were held.	▸ Regularly listen to the reporting by the risk management task force and oversee the implementation of risk management by the Company and important subsidiaries. ▸ Put forward suggestions for improvement in the design of risk management policies and procedures. ▸ Review and bring forward the cases submitted by the risk management task force to the board of directors for discussion.	Convener	Huang, San-Gui[4]	Independent Director	100%
			Member	Wu, Rey-Yuh	Independent Director	100%
			Member	Lu, Suei	Independent Director	100%
			Member	Huang, Jui-Wen	Independent Director	100%

Note:
1. For details regarding the operations of the Audit Committee, please refer to page 51 of the 2023 Annual Report.
2. For details regarding the operations of the Remuneration Committee, please refer to page 69-73 of the 2023 Annual Report.
3. For details regarding the operations of the Risk Management Committee, please refer to page 66-67 of the 2023 Annual Report.
4. Director Huang San-Gui possesses professional expertise in academia-industry collaboration and risk management.

4.2 Governance Practice

The company adheres to the principles of fairness, honesty, integrity, and transparency, in order to implement a policy of integrity in its operations. Oneness has established regulations such as the "Ethical Corporate Management Best Practice Principles", the "Codes of Ethical Conduct", and the "Procedures for Ethical Management and Guidelines for Conduct". The Directors, managerial officers, and all employees shall strictly follow those regulations and adhere to the concept of ethical management.

» Ethical Management

In 2020, the Company appointed the "Human Resource Department" as the unit of integrity-based operations. The Department is responsible for the formulation and supervision of the implementation, of the ethical management policy, and the related preventive solutions, and shall provide education and training courses regarding integrity-based operations and the prevention of corruption and insider trading, in order for all employees of the Company to attach more importance to integrity-based operations. The company also formulates an Employee Code of Conduct that Oneness employee should abide by in the dimensions of corporate operations, products and services, employees, business partners, society and environment.

The unit of integrity-based operations shall, at least once a year, report to the Board of Directors about how the ethical management policy and solutions for preventing unethical conduct have been executed in that year. The latest report on the implementation of the ethical management policy was presented at the board meeting held on November 9, 2023

On April 12, 2023, the Board of Directors approved the manager of the Finance Department Ms. Chen Hung-Chien to serve as the Corporate Governance Officer, who is responsible for affairs related to corporate governance, safeguarding shareholders' rights and interests, and strengthening the functions of the Board of Directors. The Corporate Governance Office shall also communicate the Ethical Corporate Management Best Practice Principles and the related regulations to the members of the Board of Directors.

The execution of ethical management in 2023

1. Based on the "Ethical Corporate Management Best Practice Principles" and the "Codes of Ethical Conduct", all members of the Company, including the Board of Directors and the managers, are required to implement the ethical management policy actively.
2. Arranged by the Finance Department, Directors and Managers took part in the courses related to corporate governance and ethical management at least 6 hours, such as "Corporate governance and securities laws and regulations", "Case study of identification and disclosure of related parties", and "Insider stake promotional seminar to the OTC and emergent market listed companies".
3. In 2023, there was no corruption or unethical conduct, and the Company made no political donation.
4. To ensure the legitimacy of collaborating agents, suppliers, customers, or other counterparties, and that none of them engage in unethical conduct, the related reviews shall be performed before signing the contracts. If any unethical conduct is found after the contract is signed, the contract shall be terminated or rescinded at once.
5. When getting onboard, for duty, new recruits receive education and training on the Ethical Corporate Management Best Practice Principles. Policies related to ethical management are announced as early as new employee orientation in order for employees to understand the Company's Ethical Management Policy and the related regulations. Each new employee received 1 hour of training, with a total of 126 participants trained in 2023.
6. An annual education and training program on integrity management and legal compliance is conducted for all employees. The courses use case studies to reinforce the principles of integrity management, to address management and prevention of dishonest behavior, and to emphasize the confidentiality obligations related to the company's intellectual property rights. To ensure that all the employees know and follow the related laws and regulations, an examination was applied to all. Only those with a score of 80 or above were deemed as passing the examination. A total of 374 employees were trained, with the total training hours of 748 hours.
   - Oct 2023 - Personal Data Protection and Smartphone Security Protection
   - Nov 2023 - Corporate Governance Perspectives on How to Manage Corporate Risks and Crisis Handling
   - Nov 2023 - Trade Secret
7. The contents of the education and training courses on the Ethical Management Policy are available on the internal training website for employees to receive make-up training or be retrained at any time, so the related concepts and matters that must follow can be propagated and emphasized to employees.

Prevention of Insider Trading

Oneness Biotech has established the "Regulations for Prevention of Insider Trading", which specifies the scope of application, the people and matters being regulated, and the related operating procedures. The regulation is intended to prevent Directors, managerial officers, and other insiders from violating regulations related to insider trading either accidentally due to ignorance of such regulations or intentionally, in order to protect investors' and the Company's rights and interests.

In January of each year, Oneness informs the Directors of the date of the regular Board meetings and reminds the Directors not to trade Oneness shares during the closed period 15 days prior to the announcement of the quarterly financial statements and 30 days before the announcement of the annual financial statements.

Marketing and Sales Code of Conduct

Regarding the marketing and sales activities of medicinal drugs, Oneness has formulated the "Marketing and Sales Code of Conduct" based on the WHO Ethical criteria for medicinal drug promotion. It is required that marketing and sales personnel must comply with relevant laws and regulations and recognize ethical standards of the pharmaceutical industry. All marketing and sales activities must comply with the "Pharmaceutical Affairs Act", "Pharmaceutical Affairs Act Enforcement Rules" and other drug and medical-related regulations, and shall be conducted in an ethical and responsible manner. All marketing and sales personnel must complete the training on the "Marketing and Sales Code of Conduct."

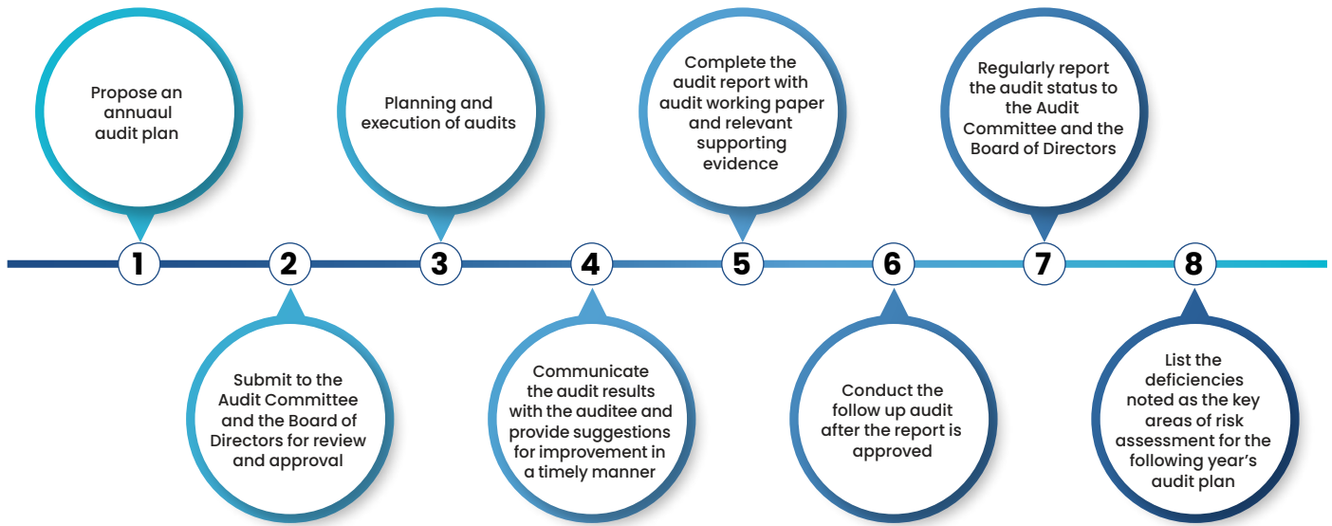
- All marketing and sales activities must comply with relevant laws, regulations and ethical standards.
- Marketing and sales personnel shall not provide personal benefits to medical personnel.
- The interaction with healthcare and other related personnel shall be based on patient welfare and appropriate medical treatment to ensure proper interaction.
- The content of product marketing is based on scientific evidence and is presented truthfully and clearly, and should not mislead healthcare personnel.
- Drug labeling, packaging, information, marketing documents, etc. must be consistent with the indications and package inserts approved by the Ministry of Health and Welfare.

Oneness continues to adhere to the company's operating principles and uphold good business integrity. From top management to the entry level employees, from the operation management to the daily business processing, all employees are held to highest standards of ethical self-management and regulation. In 2023, there was no incident of corruption, bribery or endangering of customer privacy.

Internal Audit

In order to ensure that the auditors carry out the audit work in a fair and impartial manner, Oneness has set up an Audit Office under the Board of Directors as an independent audit unit. With auditors continuously monitoring the company's implementation of various operating systems, the company has established good governance practices and risk control mechanisms to create a sustainable business environment. In 2023, the Audit Office carried out a total of 101 audit projects, and there were no major non-conformities. All minor non-conformities have been improved within the time frame.

- The auditors carry out the audit work in accordance with the annual audit plan in the spirit of independence and objectivity and confirm that the execution of the company's internal business complies with laws and regulations and internal control systems.
- The auditors will regularly report the internal audit results to the Audit Committee, and review the follow-up improvement on the identified deficiencies, etc. The audit manager also regularly attends Board Meetings to provide the Board of Directors timely updates on the potential risks of business operations.
- The Audit Office assists the Board of Directors and senior management to independently and objectively evaluate the completeness and effectiveness of the internal control system, provide suggestions for improvement in a timely manner, and reasonably ensure that the internal control system can be carried out continuously
- In order to strengthen the professional capabilities of auditors, the company arranges for auditors to continue their advanced training and participate in internal auditing seminars organized by institutions designated by the Securities and Futures Bureau to improve and maintain their audit quality and effectiveness.
- During the regular audit, if the auditee is not familiar with internal control procedures or operations, the auditors promptly guide them, deliver necessary education and training, point out the key risks and important control points, and explain how to effectively control them
- The auditors also fully communicate the audit results with the auditees. If major control deficiency is found or potential negative impact to the company is noted, the auditors will disclose the facts in the audit report.



Legal Compliance

In 2023, Oneness Biotech did not violate any laws or regulations related to the environment, human rights, labor, or corporate governance. As Oneness Biotech implements effective control measures related to legal compliance, there was no major violation of laws and regulations in corporate governance, biotechnology & pharmaceuticals, environment, and labor from 2019 to 2023. At the same time, internal audit has not found any major non-conformity, either.

Oneness Biotech's Education and Training on "Regulatory Compliance"

Year	Total Number of Employees (A)	Total Number of Training Courses (B)	Person-Time of Employee Attendance at Training Courses (C)	Completion Rate of Employee Training C/(A*B)	Total Training Hours (D)	Average Training Hours Per Person (D/A)
2023	189	5	592	63%	1015	5.4
2022	180	3	448	83%	744	4.1
2021	160	3	274	57%	403	2.5

Whistleblowing Regulations and Whistleblower Protection

Oneness Biotech has established a whistleblowing mechanism that provides reporting channels through which people inside or outside the Company can report violations of the law, of the Codes of Ethical Conduct, or of the Ethical Corporate Management Best Practice Principles. When a violation of the law, of company policies or systems, or of the Codes of Ethical Conduct that may cause or has caused damage to the Company's rights and interests (e.g., fraud, misappropriation of company assets, leakage of company secrets, receipt of improper benefits, or other misconduct) is discovered by any of the Company's employees or an external person, a report can be filed by regular mail or email:

- **Letter:** Whistleblowing mailbox, 35F., No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
- **Email:** ONENESS_Audit@onenessbio.com.tw

If a reported case involves a Director/senior managerial officer or a major violation such that the Company's reputation may be or has been seriously impaired, the Company will investigate the case and report to the corresponding functional committee, i.e., the "Audit Committee", under the Board of Directors, and the reported case, the investigation process, the investigation result, and the related documents will be recorded and archived.

The Company will register and investigate any reported case and protect the whistleblower according to the "Whistleblowing Policy", ensuring that the whistleblower will not be dismissed or demoted, have their salary reduced, have the rights and interests they enjoy as prescribed by the law or their contract harmed, or suffer from other adverse personal action as a result of the case. Also, the Company is responsible for the confidentiality of the identity of the whistleblower, the content of the case, and the investigation procedures. Information sufficient to identify the whistleblower shall not be leaked.

4.3 Risk Management

The Company has established the "Risk Management Policies and Procedures" as the highest guiding principle for risk management. By implementing effective risk governance, using analytical tools, and creating a culture of risk awareness, we mitigated potential operational risks, thereby protecting the long-term sustainable value of the Company and stakeholders.

Risk Governance

- Board of Directors
- Risk Management Committee
- Risk Management Task Force
- Risk Units

Risk Management Process

Risk Management Policies and Procedures

Identify ▶ Measure ▶ Monitor ▶ Report ▶ Respond

Risk Management Implementation

Internal Control — Risk Records — Implementation

Risk Culture

▶ Information Disclosure and Communication
▶ Establish Risk Awareness and Training

» Risk Governance

The Board of Directors is the highest decision-making body for the risk management of Oneness Biotech, responsible for approving, reviewing, and supervising the Company's risk management policies. Related organizations, policies, and procedures must be approved by the Board of Directors to ensure the effectiveness of risk management, and bear the ultimate responsibility.

The Board of Directors was given authorization to establish the "Risk Management Committee", composed of all independent directors. The convener, Director Huang San-Kui, was previously the director of the National Health Insurance Administration and implemented the Second Generation NHI during his tenure. Mr. Huang has extensive industry experience and risk management expertise.

The Company has set up a risk management task force that oversees the execution of risk management, mainly responsible for the monitoring, measurement, and evaluation of risks of the Company and other implementation aspects. The risk management team reports to the Risk Management Committee at least once a year. The most recent reports to the Risk Management Committee and the Board of Directors were both on November 9, 2023.

Risk Units include both the first line and the second line of defense. The first line of defense comprises department heads or business handlers who are tasked with executing business operations in compliance with internal control systems and regulations. They are the primary units responsible for identifying, assessing, and controlling risks. Additionally, the second line of defense comprises department heads or designated risk management personnel, who are responsible for managing business-related risks. They are tasked with reviewing, amending, or supplementing internal regulations based on the actual operations of the business.

Board of Directors
- The highest decision-making body for risk management
- Approve, review, and supervise risk management policies and procedures

Risk Management Committe
- Regularly review the risk management integration report and supervise its implementation
- Give suggestions on the improvement of risk management policies and procedures
- Review the issues presented by the Risk Management Task Force to the Board of Directors for discussion

Risk Management Task Force
- Under the general manager
- Responsible unit for risk management
- Independent of business units and operating activities in exercising duties

Risk Units
- The heads of each unit are responsible for risk management
- Responsible for analyzing and monitoring the relevant risks within the unit they belong to

Risk Management Process

With reference to the "Corporate Risk Management" published by Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Taiwan Industrial Sustainable Development Association, we aim to enhance the resilience of our business operations by implementing processes such as identification, assessment, monitoring, reporting, and respond to control risks within acceptable.

Risk Identification
Identify hazardous, operational, financial, strategic, compliance, and other risk factors

Risk Measurment
Analyze the possibility of risk occurrence and the negative impact when it occurs, in order to quantify or qualitatively describe the degree of impact

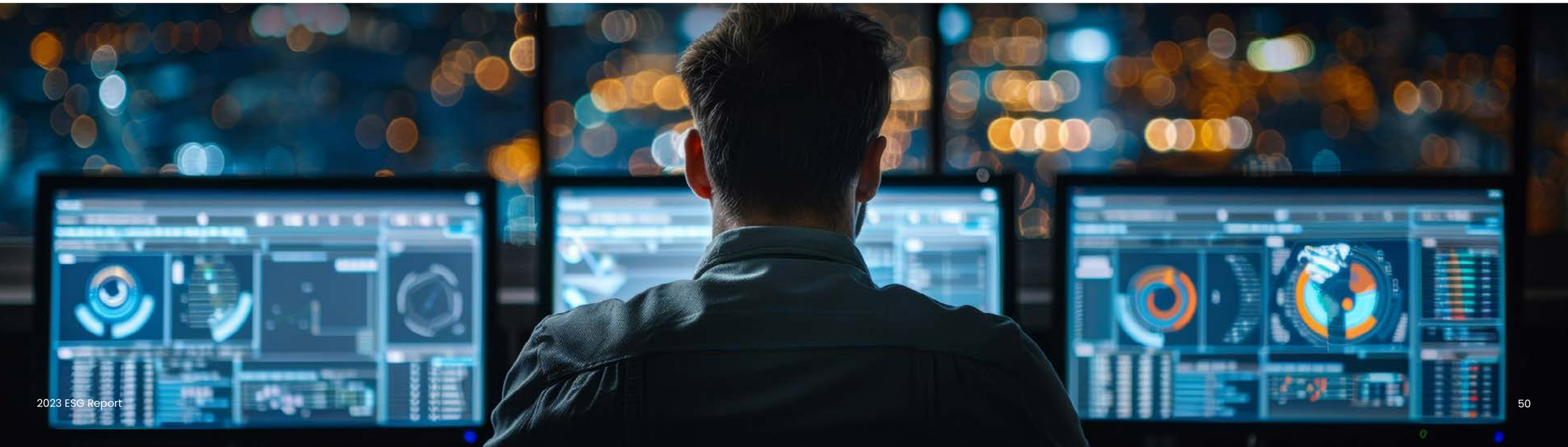
Risk Monitoring
Each unit monitors the risks of their respective businesses and proposes responsive measures to the risk management task force

Risk Report
Record the risk management procedures and execution results, and report the risk status to the Risk Management Committee at least once a year

Risk Response
Assess various risks and take relevant responsive measures

Risk Identification

The Company identifies key risk events through SWOT analysis, global risk reports, analysis of industry trends within and outside our field, stakeholder engagement, and the ESG significance process. We establish response plans to maintain operational resilience in the face of these identified risks. In 2023, a total of 21 risks were identified for risk measurement.



Risk Measurement

The probability of occurrence and degree of impact of risk events was used as the factors to quantify risk.

Rating	Explanation of the Probability of Occurrence	Definition
1	It almost never happens	Expected to occur almost never within the next 10 years
2	Low probability of occurrence	Expected to occur once within the next 10 years
3	Possible occurrence	Expected to occur once within the next 5 years
4	Likely to occur	Expected to occur once within the next 3 years
5	Almost certain to occur	Expected to occur once within the next year

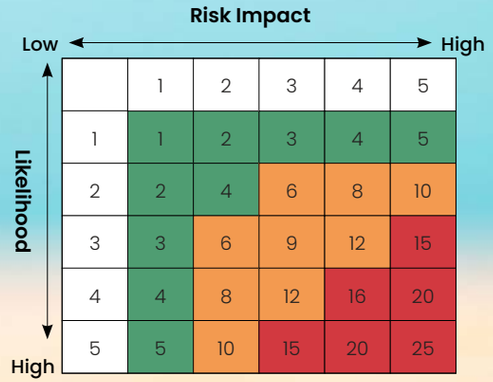
Rating	Explanation of Impact Level	Financial Impact	Operational Impact	Impact on Personnel (including employees, clinical trial subjects, and patients)	Impact on Human Resources	Impact on R&D Progress
1	Negligible	Loss or additional expenses under NTD 1 million	No damage to plant, buildings, or equipment, or impact on operations	Temporary discomfort or no impact	Less than 10% of the human resource vacancy or personnel recruitment cycle time less than a month	Does not affect the R&D progress
2	Slight impact	Losses or additional expenses in the range of NTD 1.01 million to NTD 5 million	Partial damage to plant, building, or equipment that can be restored within one day of business interruption.	Temporary damage that does not require follow-up medical treatment or surgery	10% to 20% of human resource vacancy or personnel recruitment cycle time exceeding over a month	R&D was significantly impacted, with project progress delayed for less than half a year
3	Medium impact	Losses or additional expenses in the range of NTD 5.01 million to NTD 10 million	Partial damage to plant, building, or equipment that can be restored within three day of business interruption.	Temporary damage that requires follow-up medical treatment or surgery	20% to 30% of human resource vacancy or personnel recruitment cycle time exceeding over two months	R&D was significantly impacted, with project progress delayed for more than half a year
4	Significant impact	Loss or additional expenses over NTD 10 million	Partial damage to plant, building, or equipment that can be restored within one week of business interruption.	Cause permanent or irreversible damage	30% to 50% of human resource vacancy or personnel recruitment cycle time exceeding over three months	R&D was significantly impacted, with project progress delayed for more than a year
5	Serious impact	Loss or additional expenses over NTD 50 million	The plant, building, or equipment severely damaged, and operations are interrupted for more than a week.	Causing death	Over 50% of human resource vacancy or personnel recruitment cycle time exceeding over six months	Suspended project due to significant impact on R&D

Risk Monitoring

Each risk unit should monitor the risks associated with its business, and the relevant departments should propose response plans and submit them to the risk management task force. Meanwhile, internal auditors should evaluate whether the risk management has been effectively implemented to ensure compliance and enforcement of the system.

Risk Report

An enterprise-level risk matrix is compiled based on risk management. Each unit formulates control measures and submits the implementation results to the Risk Management Committee at least once a year. Continuous education and training are conducted to strengthen a risk-aware mindset and culture.



	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

Score	Risk Level	Risk Response
13–25	High	Risk Avoidance and/or Risk Reduction
6–12	Moderate	Risk Spreading
1–5	Low	Risk Bearing

Example:

Risk Factor	Risk Event	Incidence Rate	Degree of Impact	Risk Rating	Risk Level
Pandemic	▸ The recruitment of clinical trial subjects is not smooth, affecting the R&D progress. ▸ Factory personnel reallocation management or shutdown affects production line operation and output capacity.	4	4	16	High
Intellectual Property Management	Intellectual property (including patents, trade secrets, copyrights, and trademarks) is not managed properly, affecting the Company's operations or business interests.	3	5	15	High

Risk Response

Significant risk factors and their mitigation measures and response strategies in 2023.

Significant Risk Factors	Mitigation Measures and Response Strategies
Pandemic	▸ Adjusted hospital participating and subject recruitment ratios. ▸ Evaluated resources, project impact, and made strategic adjustments. ▸ Established remote connections and staggered work contingency plans.
Intellectual Property Rights Protection	▸ Introduced Taiwan Intellectual Property Management System(TIPS), and passed the examination (Class A). ▸ Implemented the internal patent application review mechanism and reward system, and conducted regular education and training on intellectual property concepts and protection of trade secrets.
R&D and Innovation	▸ Controlled the progress, conducted intensive reviews, and prepared alternative solutions.
Talent Recruitment, Development and Retention	▸ Established a robust employee promotion and management system, actively recruited diverse and top professional talent. ▸ Implemented the employee career development and training system to learn and improve cross-departmental work skills in the actual workplace. ▸ Increased employee remuneration and benefits, improved work-life balance, and strengthened employee cohesion.
Cyber Security	▸ Introduced the ISO 27001 Information Security Management System and completed the third-party verification. ▸ Joined the TWCERT/CC cybersecurity Alliance to exchange cyber-attack intelligence to expand the breadth of cybersecurity defenses. ▸ Regularly implemented information security publicity, education and training and information security incident drills.
Climate Change	▸ Implemented ISO 14064 GHG inventory and verification operations and disclosed governance, strategies, risks, and indicators according to the TCFD framework. ▸ Established disaster drills and flood prevention plans. ▸ Inventory was sufficient to prevent supply disruptions caused by climate-related disasters.
Safety of Drug and Medical Devices	▸ Established product release management procedures. ▸ The inspection methods were based on the International Pharmacopoeia or were validated through the analytical method. ▸ Established product quality risk management measures, conducted risk assessments and corrective and preventive operations for critical product attributes (CQAs), critical process parameters, and process flows.
Quality Management of Drugs and Medical Devices	▸ Established a quality management system that has passed PIC/S GMP, TFDA QMS, ISO13485, ISO9001 and ISO 17025 certifications. ▸ All product delivery was entrusted to GDP manufacturers, and quality agreements have been signed. ▸ Established product quality risk management measures, conducted risk assessments and corrective and preventive operations for critical product attributes (CQAs), critical process parameters, and process flows.
Clinical Data and Information Quality Management	▸ Improved the clinical data and information protection system. ▸ Regularly tracked the accuracy of test data and CRO implementation quality.

» Emerging Risk Management

In order to strengthen the management, control, and response to future risks, the Company not only predicts the aforementioned risks based on past experience, but also refers to literature published by domestic and foreign institutions to assess emerging risks to understand their possible impacts and formulate countermeasures. After reporting the relevant risks, the Company will continue to monitor the effectiveness of its management, control, and mitigation measures for risks.

Emerging Risk Assessment

Emerging Risk Factors	Risk Description	Risk Impact	Risk Response
Declining Birthrate and the Labor Gap	Taiwan's fertility rate is the lowest in the world, and the labor force will be greatly reduced in the future under the trend of declining birthrate. In addition, Taiwan is an advanced manufacturing process center for semiconductors, and the inflow of a large number of manual labor into related industries has accelerated the labor gap in other industries.	▸ Oneness is a leading biotech company in Taiwan, but in addition to R&D talents, we also need other professionals in the fields of human resources, information and communications technology, finance, and business. ▸ In the face of the declining birthrate and the impact of Taiwan Electronics Industry on the attraction of talents, the labor gap will have a serious impact on the company's operation. For instance, the lack of cyber security professionals will cause risks in information security prevention and control, and the lack of excellent business personnel may directly affect the promotion and sales of products, which in turn will affect revenue.	▸ Strengthen the talent cultivation system and regularly conduct employee skill assessments in line with the company's development strategy. Use annual curriculum planning to bridge skill gaps and enhance employees' professional knowledge and abilities. This will improve work performance and motivation, ensuring that retained employees can adapt to the company's long-term development. ▸ In the future, we will promote digital transformation to optimize operational processes, and improve labor efficiency. By dismantling and analyzing job tasks, we aim to reduce the labor burden and address the issue of insufficient workforce at the grassroots level.
Illegal Counterfeit Drugs	Counterfeit drugs are an increasingly serious problem, and with the spread of the Internet has accelerated the circulation of counterfeit drugs. Laws and regulations on counterfeit drugs vary widely from country to country around the world, posing risks to both businesses and people's health.	▸ Oneness has successfully obtained drug certificates globally, with the goal of promoting our products to the world. Illegal counterfeit drugs do not meet the strict standards of our development, manufacturing, and distribution processes. They are often unsafe or ineffective, and can be life-threatening. ▸ Counterfeit drugs obtained through unauthorized channels or sold under the Oneness brand can adversely affect the health of patients and the company's reputation, and cause significant damage to our product sales, business and results of operations.	▸ The company has established procedures for dealing with counterfeit and prohibited drugs, and when the sales and distribution of suspected counterfeit drugs are discovered, a notification process is established to control them and avoid entering the market. ▸ The company has established a grievance channel, and relevant concerns will be dealt with immediately after response. ▸ Strictly control the number of packages and prohibit the outflow to reduce the probability of counterfeit drugs ▸ Establish tracking or anti-counterfeiting labels in accordance with the requirements of national laws and regulations

Establishment of a Risk Culture

The "Risk Management Policy and Procedures" incorporates the spirit of risk management into the Company's operational strategy. Internally, the continuous promotion of risk management is not the responsibility of only a specific unit, but should be recognized by all employees to bear the responsibilities together.

Education and Training

The Company also provides training for employees from time to time to implement the risk management culture. This includes organizing training sessions such as cybersecurity education, social engineering drills, intellectual property rights protection, etc. This ensures that colleagues continue to learn and improve.

Risk Decision-making

According to the Employee Code of Ethical Conduct, employees shall assess relevant risks during the decision-making process. For example, intellectual property risk assessments shall be prudently conducted before project launch and during the product R&D process. Additionally, when formulating future business plans and development strategies, regulatory requirements and risk impacts are also taken into consideration. In addition, a risk assessment and a response plan may be required during the international authorization for drug/medical device process.

Management System

The "Risk Management Principles" have been formulated in the manufacturing plant to maintain the quality effectiveness and safety of drugs and medical devices, and to reduce the risk impact of the manufacturing process. Relevant employees follow the PDCA continuous improvement framework to identify, measure, and analyze various risk impacts. They then devise control measures and strategies to reduce the probability of hazards occurring.

Reward Measures

We have establish a reward and punishment system to encourage employees to actively explore potential hazards and risks, and provide appropriate reward measures such as commendation for those who discover potential causes of errors and obstacles in their work. In cases of fraud or events that may harm the Company's interests, employees who report or prevent such incidents in advance, thereby saving or reducing damage to the Company, may be rewarded with minor merit. Relevant rewards are directly included in the performance evaluations and used as the basis for promotions, salary adjustments and bonuses distributions.

4.4 Cyber Security

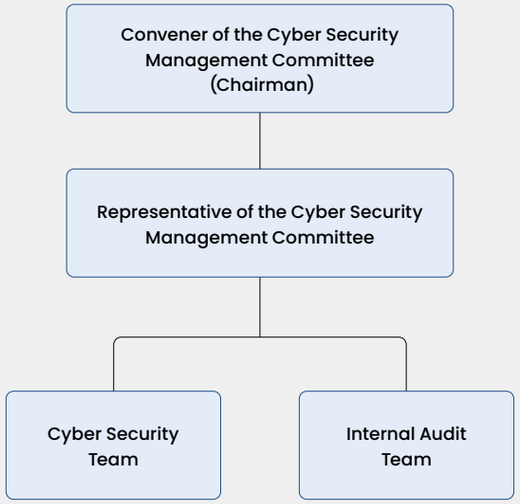
As cyber security is crucial for trade secret protection, Oneness has formulated information security policies, and concreted protective measures to enhance cyber security. The Information Department has established a Cyber Security Team responsible for formulating cyber security policies and implementation plans, promoting implementation of the policies and plans, and reviewing the implementation for improvement. The Team reports the current status of information security management to the representative of the cyber security management committee on a quarterly basis. The Audit Office has also established an Internal Audit Team to perform audits on the implementation of cyber security policies twice a year, and to track the effectiveness of improvement plans. In 2023, the Cyber Security Team was composed of 2 personnel, internal audit team of 1 personnel, held 1 cyber security meeting, and found no major violation in relation to cyber security.

Oneness Biotech has listed cyber security as a material risk issue. Chairman serves as the convener of the Cyber Security Management Committee, and has authorized Chief Information Officer to serve as the committee representative who is responsible for promoting the management and operation of cyber security, execution of the protective measures for important information, and disaster drills and the implementation plans. Any special incident occurred will be reported to the Risk Management Committee for the review of corresponding action plan.

Oneness Biotech introduced the ISO 27001 Information Security Management System (ISMS) in 2021, and gap analysis and correction have been conducted after the verification scope was confirmed. The scope included both system-wise and management-wise. The implementation items included risk evaluation, vulnerability remediation, security protection, risk verification, asset inventory, risk evaluation, and education and training, while relevant documents were established. The Company received the certificate issued by the international certification company BSI on March 2, 2022. The certificate is valid until March 1, 2025.


bsi.
Certificate of Registration
INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013
making excellence a habit.

Organizational Structure for Cyber Security



Develop Management Measures

To strengthen its cyber security management system, Oneness obtained ISO27001 certification in March 2022. The international information security standard contributes to implementing the related management system, raising employees' awareness of cyber security, and establishing 22 proper procedures and instructions for the use of computers and networks: the Cyber Security Policies, the Cyber Security Organization and Target Management Procedures, the Information Asset Management Procedure, and cyber security risk evaluation, physical security, operational safety, access control, and cyber security incident management.

Information Technology

The Company has implemented multi-layer software and hardware protection has been provided, including account password complexity authentication, host- and user-end antivirus, online behavior management, protection against malicious websites, firewall-based barrier, host data backup, data encryption, network IP management, and etc.

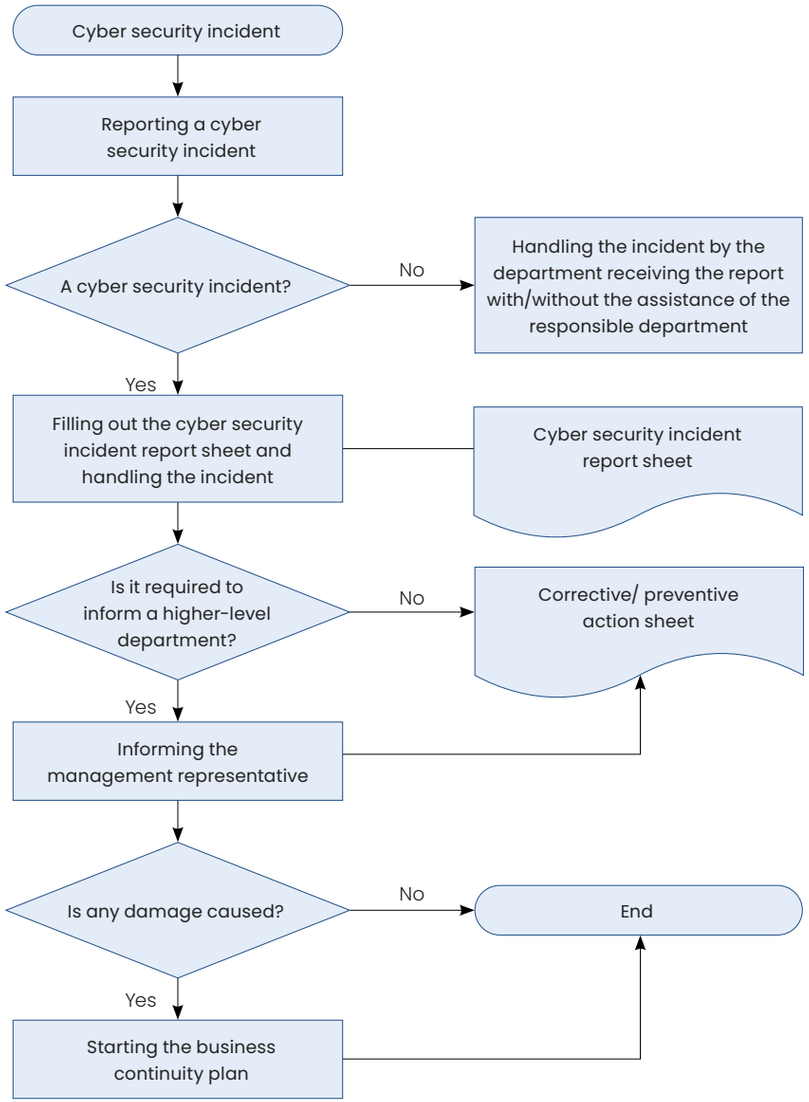
Promotion and Improvement

We endeavor to perfect the cybersecurity management mechanism and raise employees' awareness of cybersecurity and self-protection. We convene at least one cybersecurity management review meeting every year in order to monitor and control the cybersecurity-related systems and related incidents of that year, communicate cybersecurity-related information to employees for a total of at least three hours per year, and conduct at least one drill to report cybersecurity incidents every year. In 2023, a total of 3 cybersecurity training activities were organized, including personal data protection and smartphone security, AI application practice and cyber security, preventing cyber hacking, and other educational trainings. In addition, 4 email social engineering drills were executed in 2023 to enhance the Company's personnel information security awareness.

Join the Joint Defense Mechanism

In an effort to strengthen the proactive defense strategy, Oneness joined the TWCERT/CC Information Security Alliance in September 2022 to exchange cyber-threat related information through this platform from time to time. The goal is to expand the breadth of the Company's information security protection through this joint defense mechanism.

Flowchart of Reporting and Responding a Cyber Security Incident



Statistics of Oneness' Education and Training on Cyber Security in 2023

Training Course	Target Participants	Number of Trainees	Training Hours	Coverage Rate
Personal Data Protection and Smartphone Security	All the Employees (188 persons)	91	1.5	48%
AI Application Practice and Cyber Security	All the Employees (188 persons)	97	1.5	52%
Preventing cyber hacking	All the Employees (160 persons)	134	1.5	84%
ISO 27001 Lead Auditor Course[1]	Information department (3 persons)	1	40	33.3%

Note 1: The certification for ISO 27001 Lead Auditor is valid for three years. In 2022, a total of 2 employees completed the training, and in 2023, 1 employee completed the training. As a result, the IT department attained a 100% certification rate for ISO 27001 Lead Auditors in 2023.

Oneness Biotech Information Security Management Result

Classification	2020	2021	2022	2023
Total Number of Cyber Security Breaches	0	0	0	0
Total Number of Data Breaches	0	0	0	0
Total Number of Employees or Customers Affected by the Company's Data Breach	0	0	0	0
Total Amount of Fines/Penalties Paid in Relation to Information Security Breaches or Other Cyber Security Incidents	0	0	0	0

4.5 Intellectual Property Rights Protection

» Intellectual Property Strategy and Management System

Oneness Biotech specializes in researching and developing innovative new drugs at the cutting edge of global pharmaceutical technology. These R&D achievements require sound intellectual property protection to ensure the maintenance of product values and future profitability.

To ensure effective intellectual property management, to prevent infringement of the intellectual property rights of others, and to strengthen the transparency and effective management of corporate governance. We have compiled an Intellectual Property Management Manual, which serves as the guiding principle for intellectual property management and relevant operating procedures in accordance with the Taiwan Intellectual Property Management System, Version 2016 (TIPS). A Plan-Do-Check-Action cycle is employed to ensure effective operations of the intellectual property management system and to realize intellectual property management policies and objectives.

The Company firstly passed the certification review of Taiwan Intellectual Property Management System (TIPS) (Grade A) on November 22, 2021. The Company applied for the certification once again on September 2022, and then passed the review on November 2022. The certificate is valid until December 31, 2023.

» Intellectual Property Risks, Countermeasures, and Intellectual Property Policies

In consideration of internal and external issues related to stabledevelopment, an intellectual property management system and an R&D process with positive cycles have been adopted, and the following intellectual property management policies have been formulated:

- Strengthen intellectual property portfolio, continued accumulation of IPR, and reinforcement of R&D capabilities.
- Enhance protection against the leakage of trade secrets and key technologies.
- Implement a sound intellectual property management system.
- Implement corporate governance and legal compliance to earn the trust of shareholders and customers and improve the corporate reputation.

Patent Management	Intellectual property management is carried out in accordance with the patent rights management rules and regulations stipulated in the Intellectual Property Management Manual and the R&D cycle of the internal control system. All procedures of the R&D process are documented in detail and R&D achievements are subject to regular review. Patent search and analysis and economic benefits assessment mark the first step of the R&D and patent application stage. After patent review meeting discussions, the final decision on whether or not to apply for a patent is made. At the same time, a professional patent firm is hired to assist in reviews and submission of documents for intellectual property rights applications. In addition, employees are encouraged to patent their inventions so as to improve the quality and value of patent rights. During the R&D process, we also carry out patent searches for relevant technologies to facilitate patent portfolio development and reduce the risk of infringement. If a submitted patent application is approved after review, the employee(s) involved will be rewarded based on the evaluation result, which is also used as a reference for employee performance appraisal. The Company's R&D achievements and technological leadership position are protected and consolidated by implementing an internal review mechanism, incentive system, intellectual property education, and talent training.
Trade Secret Management	All employees are required to sign the "Labor Employment Contract", which clearly stipulates the ownership of intellectual property rights, confidentiality clauses, and non-competition clauses. Employees' awareness of the importance of trade secret protection is raised by relevant education and training, and all employees are reminded to protect trade secrets related to their duties and responsibilities. In terms of internal management, we have adopted confidentiality management measures to control personnel, equipment, confidential documents, and the working environment. The Company's internal documents are classified, and user authorities are strictly defined. Document access must be in conformity to the document management procedure, is subject to approval, and shall be recorded. In terms of facility access control, internal control areas are defined to control access to facilities where confidential documents may be accessed. This includes access control for office areas and data centers, and restrictions on the activity range of visitors.

Execution Status

Intellectual property management plans are linked to the Company's operational objectives and are carried out by the corresponding R&D units under the lead of the unit heads. Intellectual property-related affairs are reported to the Board of Directors in the fourth quarter of each year. The last report took place on November 9, 2023. Patent and technical documents are stored and managed using an electronic document management system. Such documents are regularly inventoried and reviewed. We also track the progress of patent application examination in close cooperation with patent firms. In addition, intellectual property-related training is provided on a yearly basis to strengthen employees' awareness and understanding of intellectual property rights protection. In 2023, a total of 1 intellectual property-related educational training session was held, lasting 2 hours, with a participation rate of 90%.

Intellectual Property Achievements

Patents

As of December 31, 2023

There are a total of **150** valid patents, with **34** patents pending approval.

Trademarks

As of December 31, 2023

There are a total of **83** valid trademarks, with **8** trademarks pending approval.

Patents

	Taiwan	USA	Japan	Korea	China	EU	Southeast Asia	NZ & AU	South America	Others	Total
Validity	13	20	7	5	11	63	8	1	1	21	150
Under Examination	4	6	2	0	5	1	6	0	1	9	34

Trademarks

	Taiwan	USA	Japan	Korea	China	EU	Southeast Asia	NZ & AU	South America	Others	Total
Validity	11	2	3	3	8	2	17	4	4	29	83
Under Examination	0	0	0	0	0	0	2	0	0	6	8

05 Social Inclusion

Oneness Biotech starts from the core business of new drug R&D, and takes practical actions to promote social inclusion. The Company is committed to creating a corporate culture that is diverse, equitable, and inclusive. In addition to providing a healthy, safe, and happy workplace, we also establish comprehensive learning programs and remunerations to attract talent and retain employees, fostering closer employee relationships. In addition, to reduce health inequalities among different population groups and improve global health standards. Oneness Biotech promotes relevant "Access to Medicine" initiatives. The Company is committed to ensuring reasonable pricing and effective supply of medicines, as well as reducing barriers to healthcare access, thus gradually achieving universal health coverage and promoting health rights for all. Additionally, we collaborate with external communities and non-profit organizations, dedicating ourselves to social care activities centered around "healthcare", aiming to foster positive development in Taiwanese society.

2023 KEY PERFORMANCE

Happy Workplace and Talent Development

A Diverse and Equal Workplace

- Included in 2022~2023 Bloomberg Gender Equality Index, which is the only biotech company included in Bloomberg Gender-Equality Index (GEI) for two consecutive years.
- Female employees account for 57% of total employees promoted in 2023.

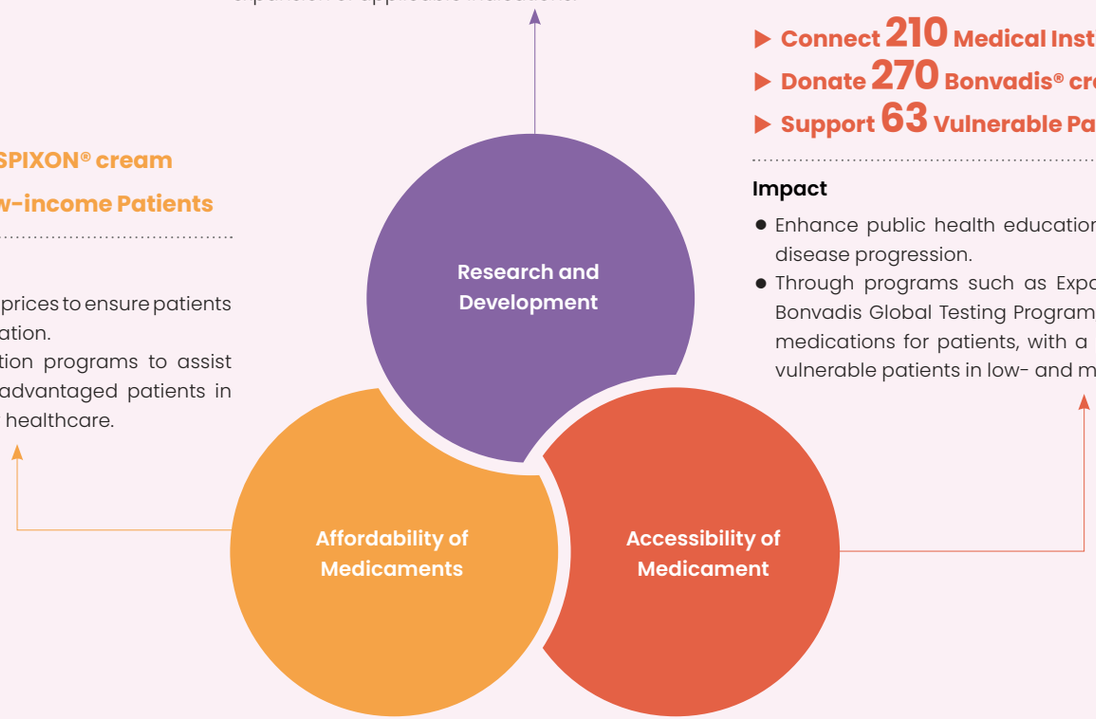
Talent Attraction, Retention & Development

- The number of employees in 2023 increased by 5% compared to 2022.
- In 2023, the retention rate of high-performance talents was 82.2%.
- In average, 26.75 hours of annual trainings per employee.

Healthy and Safe Work Environment

- No major violations or occupational accidents from 2018 to 2023
- Nanchou Plant won the certification of Badge of Accredited Healthy Workplace of the Ministry of Health and Welfare

Access to Medicine and Social Care



▶ **6 Industry-University-Institute Collaboration Plans**
▶ **11 International Journal Publication**

Impact

- Support clinical and academic research, and encouraging the basic application and educational promotion of pharmaceuticals, to ensure more patients receive appropriate treatment.
- Research on drugs with additional mechanisms of action and the expansion of applicable indications.

▶ **Donate 12 FESPIXON® cream**
▶ **Support 5 Low-income Patients**

Impact

- Establish fair drug prices to ensure patients can afford medication.
- Implement donation programs to assist economically disadvantaged patients in accessing quality healthcare.

▶ **Connect 210 Medical Institutions on DFC Website**
▶ **Donate 270 Bonvadis® cream**
▶ **Support 63 Vulnerable Patients**

Impact

- Enhance public health education to reduce the likelihood of disease progression.
- Through programs such as Expanded Access Program and Bonvadis Global Testing Program, we aim to widen access to medications for patients, with a particular focus on those in vulnerable patients in low- and middle-income countries.

MATERIAL TOPICS AND 2025 SUSTAINABILITY TARGETS

Topic	Strategy	2025 Targets
Talent Recruitment, Development and Retention	Raising of the learning motivation of employees to enhance professional expertise and skills in different areas , thereby cultivating and retaining outstanding talent.	▸ Average annual training time of 30 hours or more per employee by 2025. ▸ 90% retention rate of top-performing talent each year.

GOVERNANCE

Risk Management Committee
Master risk management and supervise the implementation status of response plans.

Sustainable Development Team
Analyze global sustainability trends and facilitate cross-ministerial coordination and cooperation.

Human Resource Department
Optimize the allocation and management of human resources to create a safe and secure work environment.

STRATEGY

Implement the on-the-job training system for employees to learn in the actual workplace and improve their work performance; create diverse recruitment channels to recruit diverse and top-notch professionals.

2023 IMPLEMENTATION RESULTS

- Employees averaged a total of **26.75** hours of training throughout the year.
- The retention rate of high-performance talent (excellent and outstanding) reached **82.2**%

5.1 Diverse and Equal Workplace

Oneness Biotech believes that talented people is the cornerstone of its sustainable operation. Promoting a diverse, inclusive, and equal workplace will attract more talented people to join the Company, and a gender-diverse team will provide a wide range of insights and innovative ideas to boost its competitiveness.

» Equality and Diversity

Oneness Biotech values gender equality in the career development of employees, and takes into account gender diversity when considering candidates for all management positions. We do not discriminate based on gender in talent recruitment, training, or retention. In 2023, the ratio of male to female employees[1] was 38:62 (%), with female employees accounting for 59.46% of all senior managers (serving in management positions two levels below a general manager), while female employees accounted for 66.67% of middle/ other management positions (managers three levels below the President). The ratio of male to female managers is 28:72 (%). We implement gender equality in employee development and uphold the principle of equal remuneration for equal work of equal value to provide employees with a stable working environment and protection.

Note 1: Excluding 7 non-employee workers, such as Oneness Biotech's sanitation worker and security guard, as well as 8 full-time employees from the subsidiary Cotton Field Organic Farm. This scope is also applied to the talent management statistics presented in this chapter. For detailed information on the employee structure of Oneness Biotech and Cotton Field Organic Farm, please refer to Appendix C.

Prohibition of Harassment and Discrimination

The Company strictly prohibits any form of harassment, sexual harassment, discrimination, or intimidation. To protect employees' equal right to work, and to take appropriate preventive, corrective, disciplinary, or corrective measures, Oneness Biotech has established an "Employee Code of Conduct" and a "Sexual Harassment Prevention Measures, Grievances, and Disciplinary Rules". Employees may raise complaints through the hotline. For incidents involving gender discrimination or sexual harassment, the Company will set up a Sexual Harassment Complaint Handling Committee to handle complaints in a confidential manner and conduct investigations in a private manner to protect the privacy and rights of the concerned parties. **No incidents of harassment or discrimination occurred in 2019-2023.** In order to implement the Company's anti-harassment and discrimination policy, the Company arranges at least one human rights-related education and training each year, covering the requirements of equality and non-discrimination.

2023 Human Rights Training Programs

Item	Training Hours	Attendance
Workplace health lecture 1 - Workplace bullying	2 hours	All Employees
Prevention and response to sexual harassment at the workplace	1 hour	All Employees

A Benchmark of the Biotech Industry - Included in 2023 Bloomberg Gender Equality Index

Oneness Biotech is the only biotech company included in 2022 -2023 Bloomberg Gender-Equality Index (GEI). We have cultivated a friendly workplace and implemented measures to support gender equality. The Company is committed to ensuring that women hold more than one-third of its board seats as a key diversity objective. Females accounted for 43% of the Board of Directors, 62% of management level, and 57% of promoted employees in 2023. We do better than the competitors in the industry in terms of the percentage of female to total workforce, the percentage of female to total engineer/ R&D staff, and the percentage of female to total promoted employees.

» Labor Rights

Oneness Biotech protects the human rights of all employees, customers and stakeholders. We follow the "United Nations Universal Declaration of Human Rights", the "United Nations Guiding Principles on Business and Human Rights", the "United Nations Global Compact" and the "ILO Declaration on Fundamental Principles and Rights at Work", respect internationally recognized basic human rights, abide by the labor laws and regulations of the place of operation, formulate human rights policies and specific management plans, and announce them on the official website after review by the Chairman. For details, please refer to the human rights policy on Oneness Biotech's official website.

- Diversity inclusion and equal opportunity
- Prohibit forced labor and child labor
- Provide fair and reasonable compensation and working conditions
- Provide a safe, hygienic and healthy working environment
- Although Oneness Biotech does not have labor union, we hold labor-management meeting in accordance with regulations and respect employees' freedom of association. Employees are also free to join external labor organizations.

In order to implement the labor human rights policy in our operations, Oneness Biotech conducts education and training when new employees report for duty, and implements training about human rights every year. Furthermore, when cooperating with suppliers, we require them to sign the "The Supplier CSR Commitment Letter" to fulfill the Company's human rights commitment. We also revise the "Supplier Management Procedure" and formulate a new supplier sustainability risk self-assessment questionnaire to regularly review the implementation of the human rights policy.

Human Rights Due Diligence

Based on the Company's human rights policy, we conduct a human rights due diligence investigation every year to examine whether there is any risk of human rights violations and to review management performance.

Identifying Human Rights Risk Issues → Potential Risk Due Diligence Investigation → Management, Mitigation and Compensatory Measures → Supervision Implementation Effectiveness

Implementation status of Human Rights Due Diligence in 2023:

The Company follows international standards such as the "UN Guiding Principles on Business and Human Rights" and the "OECD Due Diligence Guidance for Responsible Business Conduct." The scope of our human rights due diligence includes self-operation (including full-time employees and contracted employees), stakeholders in business-related activities (including contractors, local residents, and clinical trial subjects), and targets of mergers and acquisitions (no mergers and acquisitions in the past three years).

Human Rights Issues	Parties Affected by the Risk					Risk Description
	Self-operation		Stakeholders in business-related activities			
	Employees	Contracted employees	Contractor	Local residents	Clinical trial subjects	
Safe and healthy work environment	✓	✓	✓			Lack of appropriate labor safety and health measures can lead to accidents, occupational hazards, and occupational diseases.
Equal remuneration for equal work	✓	✓				Providing unfair treatment unrelated to their job performance during employee recruitment, promotion, and compensation.
Freedom of association and speech	✓					Behaviors that hinder employees from organizing or participating in collective bargaining, or restricting their freedom of speech, infringing on employees' right to express opinions.
Prohibition of child labor	✓	✓	✓			Hiring underage workers violates local labor laws and regulations and affects children's health, education, and personality development.
Reasonable working hours	✓	✓	✓			Forced overtime and under-reporting of working hours may infringe on employees' right to rest, and increase the possibility of workplace injuries and even death from overwork.
Prohibition of forced labor	✓	✓	✓			Using inappropriate means to force or threaten employees to work or impose leave restrictions.
Prohibition of human trafficking	✓	✓	✓		✓	Hiring workers involved in human trafficking.
Rights to family life	✓	✓	✓			Employees who are pregnant, breastfeeding, or raising children cannot apply for related benefits according to law.
Gender equality and sexual harassment prevention	✓	✓	✓			Sexual harassment and gender discrimination, or experiencing unequal treatment in the hiring, evaluation, and promotion of female employees while conducting business operation.
Rights of local residents				✓		Water resource use rights and health impacts of local residents.
Workplace discrimination and bullying	✓	✓	✓			Behaviors, language, and attitudes that result in differential treatment based on race, nationality, religion, disability, age, appearance, etc.
Environmental pollution	✓			✓		Noise, waste, wastewater, and biodiversity damage, which have an impact on the health of employees and local residents.
Personal data protection and privacy	✓	✓	✓		✓	Improper use of digital technology to monitor employee work performance, improper use of personal data, or violation of the Personal Data Protection Act.
Clinical trial ethics					✓	Conducting a clinical trial against the will of the subject, forcing a clinical trial, failing to notify relevant rights during the clinical trial, or violating relevant laws and regulations.

Management and Mitigation Measures, Compensation Measures, and Implementation Effectiveness in 2023

Human Rights Issues	Management Measures and Mitigation Plans	Remediation Actions	2023 Implementation Effectiveness
Safe and healthy work environment	▸ Introduce the ISO45001 Occupational Health and Safety Management System from 2021. ▸ Implement occupational health and safety plans, and regularly identifying and evaluating the effectiveness, enhancing workplace environmental health, and reducing occupational injuries. ▸ Hold occupational safety and health-related education and training on an annual basis, and provide the necessary insurance. ▸ Appoint emergency personnel at the plant to provide necessary first aid measures.	▸ Regularly arrange workplace health and safety lectures. ▸ Provide adequate medical assistance. ▸ Regular health checkups are arranged for employees. If their original jobs cannot be negotiated due to occupational reasons, appropriate measures such as changing the workplace or shortening working hours will be adopted. ▸ In the event of an occupational hazards or major occupational injury at work, leave and salary compensation will be provided according to the law.	▸ No occupational diseases and occupational hazards occurred.
Equal remuneration for equal work	▸ The "Remuneration Committee" adjusts the salaries annually based on the overall economic environment and the performance of employees. ▸ Establish a fair and just performance evaluation system to serve as the basis for salary increases, bonuses, and promotions for employees.	▸ The goal is to implement internal fairness and enhance external competitiveness. ▸ Referencing the salary adjustment in the pharmaceutical industry from Willis Towers Watson (WTW), we establish a remuneration range table to access the salary levels of employees.	▸ Employee evaluation rate 100%
Freedom of association and speech	▸ All employees have the right to freedom of assembly and association. They may also participate in external labor organizations freely. ▸ Establish "Communication Feedback and Complaints Channel" hr.onenessbio@onenessbio.com.tw ▸ Establish "Employee Opinions and Suggestions Channel" Microbiogroup777@gmail.com	▸ There is no union established, but regular labor-management meetings are held in accordance with the law to respect the employees' freedom of assembly and association. ▸ Provide anonymous complaint mailboxes to assist employees in improving any major situations at the workplace.	▸ No instances of relevant complaints ▸ Held four labor-management meetings
Prohibiting child labor	▸ The hiring and reporting procedures must be handled in person. ▸ Verify the identity and documents of personnel to ensure the authenticity of their documents.	▸ Upon discovering child labor, immediate removal from the job position will be implemented, followed by arranging health examinations in compliance with the law to confirm that their health has not been affected.	▸ No instances of employing child labor
Reasonable working hours	▸ Review the overtime working status of each department on a monthly basis and remind them in a timely manner. ▸ If it is necessary to work beyond normal working hours, an extension may be made with the consent of the labor-management meeting. The total number of extended working hours shall not exceed the legal limit of 46 hours. ▸ If department heads need to assign overtime work based on job requirements, they must obtain prior consent from the employees involved. They should apply in advance and obtain approval afterwards.	▸ Upon discovering forced labor or overtime work, department heads are required to take necessary corrective measures and provide compensation in accordance with the law. ▸ If overtime work frequently occurs, the work process shall be optimized in a timely manner to reduce the human resource and working hours.	▸ No instances of working overtime ▸ No instances of relevant complaints

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Human Rights Issues	Management Measures and Mitigation Plans	Remediation Actions	2023 Implementation Effectiveness
Prohibition of forced labor	▸ The HR unit takes the initiative to conduct regular conversations with employees. ▸ Those applying and employing foreign workers in compliance with local laws.	▸ Upon discovering forced labor or overtime work, department heads are required to take necessary corrective measures and provide compensation in accordance with the law.	▸ No instances of forced labor ▸ No instances of relevant complaints
Prohibition of human trafficking	▸ Supervise the employment standards to eliminate the risk of human trafficking.	▸ Upon discovering, individuals will be immediately removed from their positions and reported to the police authorities for investigation and handling.	▸ No instances of human trafficking ▸ No instances of relevant complaints
Rights to family life	▸ Manage employee working hours in accordance with the law, regularly review the monthly working hours of employees to ensure compliance with legal requirements, and ensure that there is no overtime or excess work load.	▸ Provide various welfare measures to care for employees and strengthen the work-rest balance.	▸ No instances of working overtime ▸ No instances of relevant complaints
Gender equality and sexual harassment prevention	▸ Implement the human rights policy in the selection, appointment, and retention operating procedures, with no gender difference. ▸ Implement equal pay for equal work, enjoy fair benefits, promotion conditions, and unemployment protection, and regularly disclose gender equality data. ▸ Regularly arranges sexual harassment prevention courses at the workplace and sets up anti-sexual harassment protection at the workplace.	▸ In the event of gender discrimination or sexual harassment, the employee's duty or work area will be adjusted as necessary. ▸ Violators will be punished according to the Company's procedures. If the circumstances are serious, legal actions will be taken.	▸ Gender equality-related data, please refer to Appendix C. Social Related Information"
Rights of local residents	▸ Establishment of effluent treatment equipment and daily monitoring of wastewater quality to enhance water resource recycling efficiency. ▸ Establishment of a customer complaint management process.	▸ Establishment of a customer complaint management process. Immediately report to the relevant units for improvement if there is any violation of residents' rights.	▸ No instances of relevant complaints
Workplace discrimination and bullying	▸ "Measures of Sexual Harassment Prevention, Complaint, and Punishment" have been established. ▸ Establishment of "Communication Feedback and Complaints Channel" hr.onenessbio@onenessbio.com.tw	▸ In the event of gender discrimination or sexual harassment, the employee's duty or work area will be adjusted as necessary. ▸ Violators will be punished according to the Company's procedures. If the circumstances are serious, legal actions will be taken.	▸ No instances of relevant complaints

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Human Rights Issues	Management Measures and Mitigation Plans	Remediation Actions	2023 Implementation Effectiveness
Environmental pollution	▸ Establishment of ISO 14001 Environmental Management System at Nanchou Plant. ▸ Strict review of the qualifications of waste disposal vendors ▸ Reduction at the source and active promotion of waste classification and reuse.	▸ Establish an emergency response SOP to swiftly address pollution incidents, minimizing their scope as soon as possible.	▸ No instances of relevant complaints ▸ No relevant penalties imposed
Personal data protection and privacy	▸ The "Personal Information Protection Guideline" are formulated to prevent infringement of individual rights and privacy. ▸ Regular holding of education and training. ▸ Signing of the Personal Data - Informed Consent Form for collection, processing, and use of personal data.	▸ When personal data is lost or leaked at work, the Company shall report to the general management department (human resources unit) to notify the party concerned as soon as possible and take corrective measures. ▸ Continue to arrange education and training for employees to strengthen the awareness of information security, and abide by the code of conduct and integrity guidelines.	▸ No instances of relevant complaints ▸ Hold personal data protection education and training, totaling 2 hours of the course.
Clinical trial ethics	▸ All clinical trials comply with Taiwan's "Regulations for Good Clinical Practices". ▸ Establishing a "Consent Form for Drug clinical trial of subjects" to ensure that subjects of their legally authorized guardians give their consent before the trial and that the subject can withdraw from the clinical trial at any time according to their own wishes. ▸ All trial personnel shall meet the job qualifications and have received professional education and training as well as clinical trial experience. ▸ The Company regularly holds trial project meetings to supervise the implementation progress and effectiveness of the entrusted clinical trial team.	▸ If the subject suffers injury or death as a result of participating in the clinical trial, they will be provided with full medical assistance, and appropriate compensation will be provided depending on the circumstances. ▸ The clinical trial procedures shall be reviewed and improved afterwards, and the personnel in charge shall be punished.	▸ No instances of injuries of any kind occurred

Communication Feedback and Complaints Channel

Oneness Biotech appreciates opinions and ideas from different parties, and provides open and transparent communication channels. We have established an internal complaint hotline and mailbox, and we hold quarterly labor-management meetings. Additionally, when an employees' probation period ends or when they submit their resignation, appropriate personnel are arranged to have discussions with them. Employees can use different channels to raise concerns about organizational systems and various issues in their work. No complaints were reported in 2023.

An online platform has been established on our website to allow investors, customers, employees, suppliers, communities, and the press to express opinions. In "Investor FAQs", all communication and feedback since 2020 are disclosed in detail by date and category as part of our commitment to transparency and respecting the views of our various stakeholders. The Company upholds the core culture of constant advancement and ongoing improvement.

Internal communication and complaint channel

- Communication and Complaint Email: hr.onenessbio@onenessbio.com.tw
- Anonymous Email: Microbiogroup777@gmail.com

5.2 Talent Attraction, Retention, and Development

The report published by the World Economic Forum (WEF) in 2020 indicated that performance of enterprises would not only be evaluated based on the return on equity in the future, but also on how an enterprise achieves its ESG goals. For modern enterprises, the human resource is most critical to the successful fulfillment of its ESG missions.

» Diversified Recruitment Channels

Oneness Biotech is an international innovative drug company. In order to continue to innovate and develop new drugs, we heavily rely on human resource and recruit talent for R&D, production, marketing, and sales. The Company recruits outstanding talents that meet the needs of the Company through multiple channels such as the Raise Program of the Ministry of Science and Technology, the LIFT Program of the Ministry of Science and Technology, 104 Job Bank, LinkedIn, internal employee referrals, recruitment firms and consultants. At the same time, we closely communicate and cooperate with academic research units and teaching hospitals to ensure the innovation and marketability of drug development. In 2023, the Company invested NT$1.98million in recruitment and successfully recruited 68 elites. In response to the organization development and expansion, the number of employees in 2023 increased by 5.0% compared to 2022.

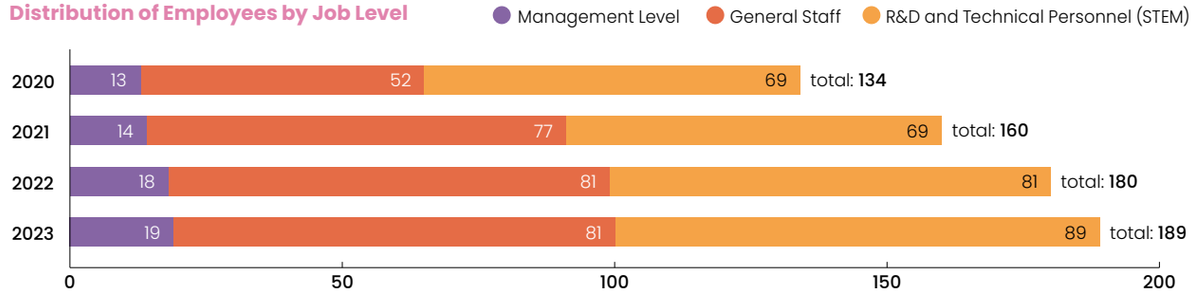
Number of Employees and Recruitment Resources in the Past Four Years

Fiscal Year	2020	2021	2022	2023
Number of Employees	134	160	180	189
Growth Rate (YoY)	22.9%	19.4%	12.5%	5.0%
Recruitment Resources (TWD)	3,907,267	4,365,215	1,799,693	1,978,500

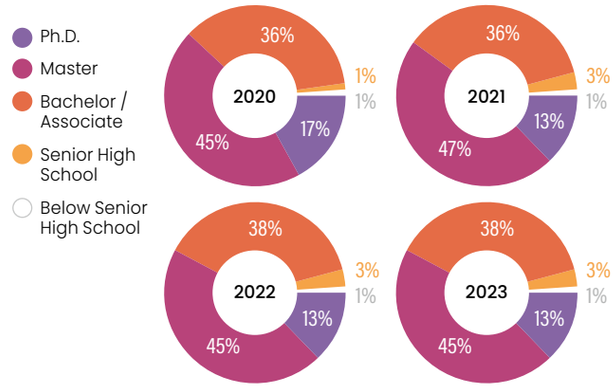
Employees Classified by Average Age and Years of Service

Fiscal Year		2020	2021	2022	2023
Average Age		39.20	39.20	39.21	39.78
Average Year of Service	Male	3.49	3.72	4.04	4.53
	Female	4.59	3.83	4.26	4.11
	Total	4.08	3.79	4.16	4.26

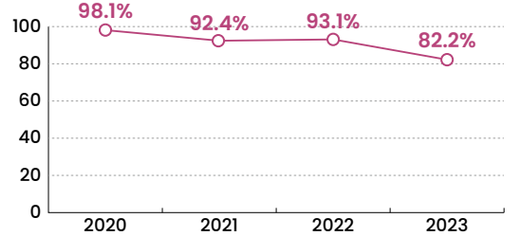
Distribution of Employees by Job Level



Distribution of Education Level



Retention Rate of High-performance Talents in the Past Four Years[1]



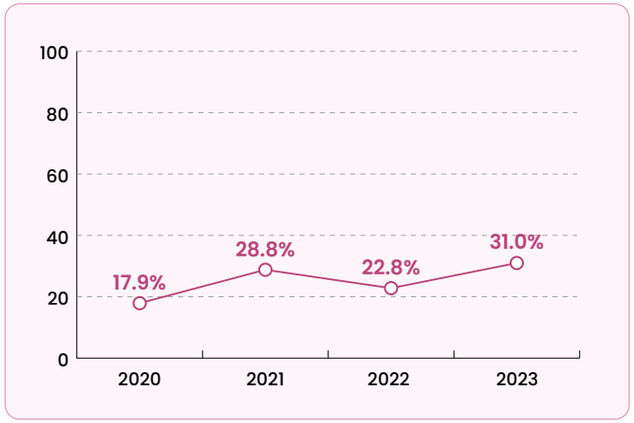
Note 1: Retention rate of high-performing talents =[Total number of high-performance talents still in service at the end of the current year]/[Total number of high-performance talents in the past year]

2023 Recruitment Rate and Turnover Rate

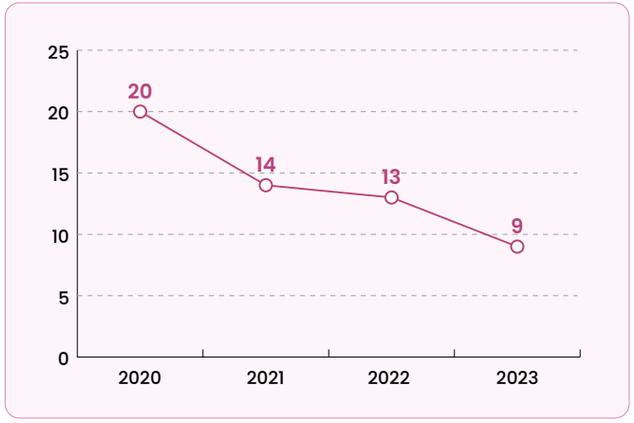
Category	Item	Recruitment Rate[1]		Voluntary Turnover Rate[2]		Involuntary Turnover Rate	
		Total number	Ratio	Total number	Ratio	Total number	Ratio
		68	36%	58	31%	4	2%
Age	<30	13	7%	6	3%	0	0%
	30~50	51	27%	48	25%	4	2%
	>50	4	2%	4	2%	0	0%
Gender	Male	23	12%	26	14%	3	2%
	Female	45	24%	32	17%	1	1%
Position level	Executives/Senior Managers[3]	2	1%	1	1%	0	0%
	Mid-level Managers[4]	15	8%	16	8%	1	1%
	Professionals[5]	15	8%	9	5%	0	0%
	Others[6]	36	19%	32	17%	3	2%
Area	Northern	47	25%	40	21%	2	1%
	Middle	2	1%	1	1%	0	0%
	Southern	19	10%	17	9%	2	1%

Note:
1. Recruitment Rate = [Total number of new hires in the current year]/[total number of employees at the end of the current year]
2. Turnover Rate = [Total number of resignations in the current year]/[Total number of employees at the end of the current year]
3. Definition of executives/senior managers is 2 levels below general manager (general manager not included).
4. Definition of mid-level managers is 3-5 levels below general manager (general manager not included).
5. Definition of professionals is R&D related staff (STEM-related staff).
6. Definition of others is employees not mentioned in the above 3 categories.

Voluntary Turnover Rate Over the Years



Internal Transfers Over the Years[1] (Number of Staff)



Note 1: Transfer refers to the internal transfer of MICROBIO GROUP (such as Microbio Co., Ltd., Diamond Biofund Inc., etc.)

» Talent Development

Establishment of Talent Pool

Oneness Biotech began developing and analyzing our human capital talent in 2020 and initiated a Talent Pool and database. The HR department evaluates our employees' education background, working experience, and expertise in order to integrate our workforce across departments to produce synergistic results, facilitate our sustainable development, and promote the development of new drugs for Taiwan.

▲Snapshot of Oneness talents pool/ database with employees' personal information protected.

Creation of the Counselor System

Oneness Biotech created the "New Employee Counselor System" in July, 2021. The Company designates a manager or senior employee to be a mentor to help new employees become more familiar with the corporate business, department operation, and job functions.

Talent Development and Cultivation

Oneness Biotech actively invests resources in talent cultivation and builds a "learning organization" to enhance professionalism and general ESG functions. In order to enable new employees to quickly understand the company culture and integrate into the team, Oneness Biotech has developed a mentor program to assist new employees through diverse approaches by the cooperation between the mentor and the unit supervisor. The following are the results of our employee career development plans and 2023 learning activities:

● Strengthen R&D capabilities

Since 2022, the company has been organizing a series of new drug development seminars to enhance employees' research knowledge and professional skills. These sessions, led by senior executives and external experts, are designed to stimulate innovative thinking and drive the development of new products and technologies. In 2023, the program expanded to include courses on product development quality, risk management, and regulatory compliance, with a focus on global trends in new drug development, evolving pharmaceutical and medical device regulations, and key aspects of clinical trials. These professional development initiatives aim to strengthen employees' capabilities in international business expansion and ensure regulatory compliance throughout the drug and medical device development process. This initiative allows employees to inherit the company's spirit and knowledge of innovation and maintain a leading edge in technology.

● Organize ESG Internalization Activities

Enhance the concept of ethical management of employees, add and plan education and training related to ethical management policies, and encourage all employees to participate in:

- Conduct education and training on Ethical Corporate Management Best Practice Principles when new employees get onboard, and implement ethical management policies when new employees undergo job training.
- Organize annual education and training on "Ethical Corporate Management Best Practice Principles" and "Regulations Compliance" every year. In 2023, a total of 5 related courses were arranged, namely "Personal Data Protection and Smartphone Security" in October, "Corporate Risk Management and Crisis Handling from a Corporate Governance Perspective", "Trade Secrets" and "Practical Applications of AI and Information Security/Personal Data Protection" in November, "Prevention and Response to Workplace Sexual Harassment" in December. All employees were the target audience for these training courses. The courses utilized case studies to reinforce the principles of integrity management, management, and prevention of unethical behavior, and emphasized the confidentiality obligations regarding the Company's intellectual property rights. To ensure all employees fully understand and abide by the regulations, we use examinations as the necessary means and require the employees to get 80 points or above in order to pass the exam. A total of 592 employees participated in the training and the training session totaled 1014.5 hours.
- In addition, to assist employees in achieving a work-life balance and to alleviate daily work pressure, in 2023, we regularly organized healthy workplace lectures. These lectures, conducted by external professional speakers, covered topics such as achieving optimal nutrition for immunity, enhancing immune function, and workplace safety and health education. These practical and life-oriented courses aimed to provide employees with soft health knowledge that they could apply to their personal and family lives. The goal was to promote a balance between employees' physical and mental well-being and to enhance family relationships.

Relevant Education and Training Achievements in 2023

Item	Number of Trainees	Total Training Hours	Average Training Hours	Total Expenses (NTD thousand)
New employee orientation	84	126	509	0
Professional training	414	2605	2333	158,495
General educational training	69	1642	2213.5	68,220
Total	567	4373	5055.5	226,715

Reference: 2023 Annual Report, page 176.
Average training hours = Total training hours / Total employees

Average Employee Training Hours in 2020-2023

Category		2020	2021	2022	2023
Per Employee		20.40	17.50	31.30	26.75
By Gender	Female	13.50	15.40	31.70	32.54
	Male	28.50	20.20	30.80	23.26
By Position	Management	8.70	13.80	34.52	19.71
	R&D (STEM-related)	11.30	13.70	35.47	31.03
	General	35.50	21.50	26.60	23.70

Note: Employees in management positions are defined as supervisors above the manager level of each department. R&D employees are defined as R&D center personnel (STEM-related personnel).

Performance Evaluation System

We respect professionalism and care about the career development of each employee. With corporate culture as the core, we provide diversified development and learning channels so that employees can perform their professionalism and feel accomplished. Open and transparent performance management system (target management and functional management) assist employees in formulating the direction of learning and the development of career.

- **New Employee Education and Training + Mentor Program:** After the orientation, the mentor and the unit supervisor will provide timely feedback and assistance in line with employees' performance and conduct a three-month probation.
- **Performance Management:** Two appraisals are carried out in accordance with the Performance Management Measures every year with 70% based on the key performance index (KPI) and 30% based on general competency. The results are used as the basis for promotion, salary adjustments, and various bonus or incentives.
- **Performance Evaluation Mechanism:** The KPI are established through performance review, and constructive feedbacks offered throughout the process.

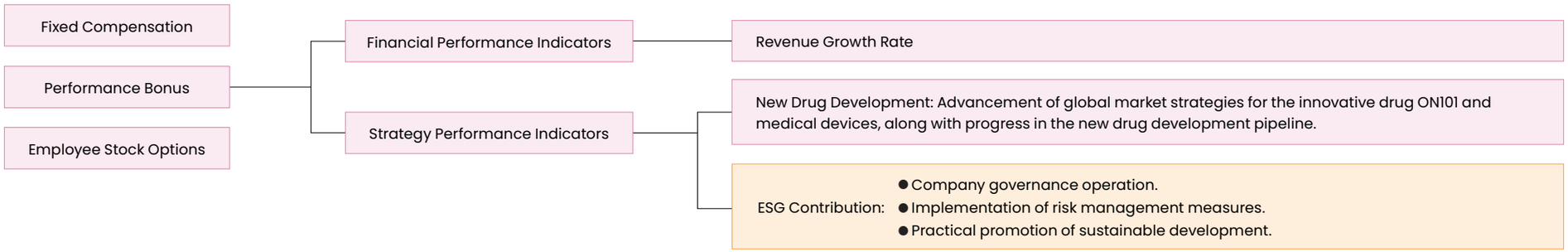
Item	Purpose	Implementation Status	Target Group
Probation for New Employees	Objectively evaluate the performance and suitability of new employees.	The evaluation pass rate is 100%. (The retention rate of new employees is 79.4%.)	Employees under probation.
Performance Evaluation	To achieve company goals and enhance performance, objectively and fairly evaluate the performance of employee.	100% participation.	All employees.

Integration of Senior Management Performance with ESG Initiatives

To further bolster our company's sustainability management framework and proactively address external expectations concerning ESG implementation, we will, as of 2024, include ESG performance in the performance evaluation criteria for our executive team, comprising the President, Vice President, and department heads. This move ensures that management objectives are aligned with the company's ESG sustainability development strategy.

The Company's President serves as the Chairperson of both the ESG Committee and the Risk Management Task Force, overseeing sustainable development management and risk monitoring. Therefore, the performance bonuses and annual assessments in the compensation structure are linked not only to the progress of drug pipeline development but also to the contribution to ESG. This includes the corporate governance performance (e.g., governance evaluation results), the execution of risk management measures, and the promotion of sustainable practices (e.g., greenhouse gas inventory, energy-saving initiatives). Additionally, the Vice President also includes the company's 2025 sustainability goals in their performance evaluation. The Vice President of Sales Department is primarily responsible for driving company sales and market expansion while ensuring compliance in business operations, with their performance assessment including compliance with regulations. The Vice President of Research and Development Center is responsible for the innovation and development of company products and technologies, with their performance evaluation linked to innovation management.

Key Performance Indicators for the President



» Compensation and Benefits

The human resource management of Oneness Biotech follows the three main frameworks of "recruitment, cultivation, and retention." To retain talent, the Company takes industry characteristics, market conditions, and future development as reference for formulating the remuneration system. In accordance with the Company's operational achievements and performance evaluation results of departments and employees, the Company provides appropriate rewards to employees. In addition, employee stock options and other incentive plans are used to align employees with the Company's goals to create business performance and long-term value. The compensation is based on employee's job scope and duties and does not differ due to the employee's gender. The company shares operating results and profits with employees.

Salary information for full-time employees who are not in management

unit: NTD thousand

Year	Total Salary	Average Salary	Median Salary
2020	84,192	868	638
2021	106,070	947	685
2022	148,952	986	772
2023	140,500	969	732

Note: The number of full-time employees who are not in management positions: 97 people in 2020, 112 people in 2021, 151 people in 2022 and 145 people in 2023.

2023 Remuneration Ratio by Gender

Category	Male	Female
Management Positions (including managers and above)	1	0.75
Non-Management Positions	1	0.95

Note: based on monthly salary and bonus

2023 Gender Ratio of Average and Median Salary and Bonus (Male to Female)

Category	Average	Median
Salary	1 : 0.86	1 : 0.94
Bonus	1 : 0.80	1 : 1.42

Employee Professional Development

To encourage the professional development of employees, Oneness Biotech has established On-The-Job Training Management Procedures to fully subsidize employees to obtain professional certificates. The total cost of certifications is covered by the Company. For example, at Oneness Biotech's Nanchou Plant, we have subsidized employees to earn 12 professional certificates in 2023.

Employee Benefits

In addition to the various benefits provided by laws and regulations, Oneness also offers the following employee benefits:

Cash Benefits	Provide year-end bonus, performance bonus, project bonus, Dragon Boat Festival cash gift, Mid-Autumn Festival cash gift, birthday and birthday party cash gift, weddings, funerals, and various cash subsidies, and children's education subsidy (0-18 years old, NT$2,000 subsidy per month, with a subsidy cap of one person.)
Employee Stock Option Plan	Oneness Biotech provides employee stock option certificate plans to make employees become shareholders of the Company and strengthen the centripetal force of employees to the Company. From June 2016 to December 31, 2023, 33,000 units of employee stock option have been issued. Each unit represents 1,000 thousand shares of the Company's ordinary shares. Detailed information please refer to 2023 Annual Report, page 121& 273.
Flexible Working Hours	Provide some employees with flexible working hours, and provide leave benefits superior to the Labor Standards Act.
Networking Events	Department meals, weekly club activities (basketball club, aerobic dance club, etc.), annual employee travel, Christmas and year-end activities, set up a comfortable rest area for employees, so that employees have a dedicated space to take a break from the tight pace of work and promote communication and exchanges between teams.
Overall Staff Care	Setting up breastfeeding rooms, providing stress relief massage services, regular employee health checkups, employee restaurants providing free organic healthy meals, parking spaces or parking subsidies, monthly employee purchase discounts, and dedicated spaces providing free organic coffee, milk, snacks, and health foods.
Learning Improvement	We regularly purchase different themes of new books and magazines and offer NT$10,000 external training grants to every employee each year for advanced development and life-long learning.
Parental Leave Without Pay	When an employee needs to take maternity or paternity leave, in order to take care of work and family, he/she can apply for parental leave without pay, and apply for reinstatement after the expiration of the period. A total of 3 employees applied in 2023. Currently, 2 employees have been reinstated and 1 is currently on a leave of absence. The retention rate half a year after reinstatement is 100%.
Insurance and Retirement Policy	In addition to labor insurance and health insurance, employee group insurance and employee travel insurance are provided to improve the job security of employees. In terms of retirement protection, Labor Retirement Measures is formulated in accordance with the law, and a Supervisory Committee of Labor Retirement Reserve has been established. The previous system regularly allocated 2% of the total salary as retirement reserves deposited in a specific bank account at Bank of Taiwan every month to protect labor rights. The new system allocates 6% of the total salaries of employees to the employee's individual retirement pension account.

Succession Plan

1. Oneness Biotech incorporates successor plan into our human capital management plan. In addition to the abilities of operation management, professional skills, and excellent performance, potential successors for various roles must have the values and core competence that correspond to the Company's, including integrity, honesty, proactivity, responsibility and pursuit of innovation.
2. The executives at the level of manager and above form the key management level, and there are currently 29 people in total. Clearly formulated job descriptions and planning are in place for each executive position. Designated substitutes are trained and cultivated. The Company utilizes its existing performance appraisal system to assess and review suitable success or candidates and facilitate future development and implementation. The HR unit is responsible for formulating and executing such plans and regularly reporting to the Chairman.
3. "Innovation" and "Successful Experience Replication" are fundamental for successor plan in the biotech industry. Concrete methods and implementation status are described as below:
   - Strategic management meetings for senior executives. The top executives regularly hold strategy formulation and execution results communication meetings with senior executives of various functions to ensure that the Company's goals are achieved.
   - Conduct talent inventory to accurately grasp the professional functions and talent training (department managers, deputies, agents, and candidates for key positions) in the organization, and plan relevant training based on functional gaps and company operating policies to implement sustainable talent management.
   - Implementation of sustainable management literacy. The Company conducts ESG lectures and corporate core value promotions on a regular basis quarterly, and deeply cultivates the leadership model of professional managers for sustainable management and corporate value recognition.
   - Professional function development, such as weekly research and development meetings hosted by the top executives. Each host will share the latest knowledge, technology or business in the world for the drug field they are responsible for.
   - Task-oriented projects. Through cross-departmental cooperation, many successful cases have been achieved. For example, the topical ointment Bonvadis was recognized for its medical device substantial equivalence and obtained the marketing authorization under U.S. FDA 510(k).
   - Emphasis on practical experience and cultivation of international perspectives. The Company sends executives overseas every year for exchanges and academic publications to gain practical experience in international operations. For example, attending the Healthcare Conference hold by J.P. Morgan every year.
   - In the process of developing innovative new drugs, in order to understand the urgent medical needs in the real world, expert meetings are held regularly, and through in-depth discussions, the research and development orientation is closer to the real medical situation.

5.3 Healthy and Safe Working Environment

Providing a healthy and safe working environment is our basic commitment to employees. The Company has established the "Occupational Health and Safety Program" to systematically promote occupational health and safety management measures in accordance with the PDCA spirit of occupational safety management system. Oneness' Nanchou Plant was certified by qualified third-party and obtained the ISO45001:2018 certificate in September 2021.

As we strictly comply with laws and regulations,
there were no major violations or occupational accidents from 2019 to 2023.

To effectively prevent occupational accidents, a safety and health management unit has been set up at the Nanchou Plant. Professionals are responsible for planning, promoting, supervising, and reviewing safety and health management activities. The Company also implements emergency response drills, intensified education and training, and implementation audits. Occupational health and safety objects are also set up, and regularly traced for the management status in order to reduce the risk of workplace hazards.

Hazard Identification	Identify potential hazards associated with activities, materials, devices, machine designs, and operating procedures.
Risk Assessment	Assess the risk level of each hazard factor according to the incidence, exposure rate, and severity of each hazard factor.
Action Plan	The environmental, safety, and health assessments are conducted by each unit and passed to EHS for consolidation. Unacceptable risks are summarized and reported during the annual management review meeting to discuss and launch the action plans.
Response Drill	The environmental, safety, and health unit plans and implements contingency training. The content of training includes drills of firefighting, evacuation, chemical leakage, and toxic leakage.
Education and Training	Regular education and training courses are held in accordance with regulations and operational needs, with reference to common cases of occupational injuries, to educate colleagues and raise safety awareness and prevention.
Implementation of Audits	The environmental, safety, and health unit conducts routine industrial safety audits and regularly monitors the operating environment in the factory to grasp the status of hazardous factors.

» Occupational Accident Management

To ensure that the relevant units can respond quickly in the event of an occupational accident, Oneness Biotech has established the "Occupational Hazard Investigation Management Procedures". These Procedures set forth that whenever an occupational accident occurs, the first aid, notification, investigation, and improvement measures that should be taken, with improvement measures proposed according to the root cause of the accident.

Statistics of Occupational Accidents and Occupational Safety and Health Management Results

Assessment Method	2019	2020	2021	2022	2023
Lost Time Injury Frequency Rate (LTIFR)	0	0	0	0	0
Disabling Frequency Rate (FR)	0	0	0	0	0
Disabling Severity Rate (SR)	0	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0
Total Number of Fatal Accidents	**0**	**0**	**0**	**0**	**0**

Note: The calculation is as follows:

LTIFR = (Total number of work injuries/total hours worked)×10^6

FR = (Total number of disabling injuries / Total hours worked) × 10^6

SR = (Total number of lost days of disabling injuries / Total hours worked) × 10^6

ODR = (Total number of occupational diseases / Total number of hours worked by all employees) × 200,000

2023 the Nanchou Plant Self-defense Formation Response Drill and Firefighting Joint Training

- Evacuation of entire factory (evacuation guidance and headcount)
- Fire emergency response, including fire suppression by the designated team
- External response support, and major accident response simulation



▲Nanchou Plant participated in the 2023 joint training with Pingtung County Fire Department. The Pingtung County Fire Department highly praised Nanchou Plant for their preparation and response skills, and issued a certificate of appreciation.

Occupational Safety and Hygiene Training

Occupational health and safety-related education and training are held every year. Occupational health and safety consultants are invited to serve as instructors. The course contents include: work safety, emergency responses, machine operation, health seminars, and occupational disease promotion, etc. In addition, the personnel in charge of environmental protection, occupational safety, fire prevention, and machine operation at the Nanchou Plant have all obtained professional licenses and are regularly trained by external institutions.

In addition, in order to strengthen the safety management of contractors entering the factory, they are required to comply with the occupational health and safety laws and regulations and the regulations of Oneness Biotech. Prior to entering the factory, contractors must undergo necessary occupational health and safety training.

In 2023, occupational safety education and training at the Nanchou Plant reached 231 person-times.

Training	Attendance
Internal training	174
External training	12
Orientation	13
Training for contractors/subcontractors (Occupational hazards)	32
Total	**231**

▲Emergency First Aid Training

▲Fire Fighting Response Training

Measures to Strengthen Employee Health

Oneness Biotech actively implements a smoke-free policy in the workplace to build a healthy working environment and improve productivity of employees.

Oneness Biotech promoted the occupational safety and health-related measures in 2023, including working environment hazard identification and risk assessment, the establishment of an "Occupational Disaster Prevention Database," the promotion of the "Badge of Accredited Healthy Workplace-Oneness Biotech New Life Movement," and etc., to strengthen the management mechanism of occupational safety. In order to promote healthier lifestyles, Oneness Biotech also offers fund subsidies to employees' clubs.

In 2023, Oneness' Nanchou Plant actively implemented the "Comprehensive Workplace Health Promotion Model" established by the World Health Organization (WHO), emphasizing that "enterprise/organization leadership commitment" and "employee participation" shall be the core value of the plan. We also hope to assist the workplace to promote health promotion, provide comprehensive personal health resources, comprehensively assess and improve the physical and social psychological working environment, implement corporate social responsibility, and work together to create a healthy workplace working environment. On this basis, Oneness Biotech was awarded Badge of Accredited Healthy Workplace by the Ministry of Health and Welfare in 2023.

Nanchou Plant also improves employees' autonomous first aid skills through CPR training and installs AEDs to provide a safe workplace environment. In 2022, it passed the "Safe Place" certification of the Ministry of Health and Welfare, demonstrating the intention of a safe environment.

Oneness New Life Movement

Advocate Healthier Lifestyle	Encourage to take the stairs more often and engage in more physical activities. Employees in the Nanchou Plant have also organized activities to beautify the stairs to encourage employees to use them more often.
Regular Health Check-ups	Conduct annual health examinations for employees, and provide physician-recommended dietary advice.
Healthy Diet	Set up staff restaurants, provide meals with low oil, low salt, and plenty of fruit and vegetables. Take into account taste and balanced nutrition.

In 2023, the Nanchou Plant was award the Badge of Accredited Healthy Workplace by the Ministry of Health and Welfare

5.4 Access to Medicine

The issue of Access to Medicine has recently been supported by the World Health Organization and international non-profit organizations. Their primary objective is to promote global access to safe, effective, and affordable medicines for all mankind, encompassing aspects such as drug R&D, production, distribution, and ensuring accessibility. Oneness Biotech is committed to developing innovative drugs to create a healthy life for mankind. The ultimate goal of our access to medicine strategy is to enable patients to obtain the medicine they need in a reasonable, affordable, correct, and easy accessibility, so as to strengthen the resilience of health of the global medical care system. Therefore, we have integrated the three major strategies: **"Research and Development", "Accessibility of Medicaments", and "Affordability of Medicaments".**

» Research and Development

Successful pharmaceutical technology research and development will help elevate the industry standard of drug R&D and manufacturing. At the same time, ensuring the quality of clinical trials will help to promote more effective and safe drugs to enter the market. Through innovative R&D breakthroughs, more effective treatment methods are discovered for Unmet Medical Needs. This continuous enhancement of value of new drug development provides patients with more effective and precise treatment options.

Industry-University-Institute Collaboration Plans

The program was used for collaboration between the medical field, academia, and research institutes. The goal was to gain a deeper understanding of various drug mechanisms and the expansion of possible indications through participation in academic and clinical research. **In 2023, a total of 6 research projects were in the implementation phase.**

Note: For details of the medical industry-research cooperation program, please refer to page 29 in the Report.

Education and Training of Medical Staff

Continuous Professional Development (CPD) enables medical staff to constantly update and expand their professional knowledge and skills. In line with this, Oneness plans educational training for medical staffs regarding new drugs to enhance their understanding of these medications, thereby promoting healthcare quality and patient safety. **In 2023, we visited a total of 167 medical facilities, including 24 medical centers, 56 regional hospitals, 34 local hospitals, 22 primary care clinics, 30 pharmacies, and 1 pharmacists' association.**

International Journal Publications

Publishing in international journals is an effective way to engage with the global academic community. We can share the results of new drug research results through these papers and promote collaboration opportunities that may include cross-border clinical trials and research collaborations. Therefore, Oneness aims to strengthen the academic research of the Company's new drugs by submitting to internationally renowned scientific journals. Its value and international popularity have been published in internationally renowned journals. **In 2023, The Company participated in 6 international conferences, presenting a total of 9 papers in Italy, the Netherlands, the United States, Germany, and China.** Additionally, Oneness submitted two papers to international journals, both of which were published in major international SCI journals. The results of the international multicenter Phase III clinical trial of ON101, along with its mechanism of action, were accepted by *JAMA Network Open* and published globally. The clinical trial results of FESPIXON® (ON101) as a new drug for improving postoperative scar aesthetics were accepted and officially published by the *Aesthetic Surgery Journal*.

Accessibility of Medicaments

Unequal treatment of access to medicine is a global sustainability issue, and we take the health and well-being of mankind as our core responsibility. Therefore, we have proposed multiple access solutions for drugs. We look forward to providing drugs promptly to patients in need, regardless of their location. Through innovative cross-border collaboration projects, we aim to enable patients in developing and underdeveloped countries to access medication in advance, thus enhancing the well-being of disadvantaged patients and strengthening the integrity of their healthcare system. Since 2023, Oneness has launched the "Bonvadis Global Testing Program" to expand the application of our Bonvadis cream. Additionally, to provide patients in low- to middle-income countries with early access to the medication, the program has prioritized expansion to regions like Egypt and India, alongside the United States.

Expanded Access Program

In accordance with the policy of the U.S. Food and Drug Administration (FDA), "Expanded Access Program", to provide patients with investigational products for treatment when they cannot obtain comparable or satisfactory alternative treatments.

Note: For details of the Extended Access Program, please refer to the Company's Website/ Science/ FESPIXON®/ Expanded Access Program

Bonvadis Global Testing Program

Bonvadis Global Testing Program has been initiated in US, Egypt, and India with key opinion leaders. Samples of Bonvadis have been provided to the physicians to enable collection of user's experience and feedback. This will be helpful to position Bonvadis right in the clinical use and maximize its benefit to patients after commercial launch. This program also help address the more vulnerable or underserved patients who can't access effective treatments. **In 2023, a total of 270 Bonvadis were donated to 12 medical institutions globally, benefiting 63 patients.**

Diabetic Foot Care Website

To raise public awareness of diabetic foot ulcers, Oneness Biotech has launched a Diabetic Foot Care website for patients and healthcare professionals. This platform compiles the latest treatment knowledge and medical information to support patients in preventing and treating diabetic foot ulcers. The platform also provides physician consultation services and collaborates with pharmacies of major medical centers to provide diabetic foot ulcer care guidelines (V.I.P.D.F.) and real-time medical information. **As of December 2023, we have accumulated partnerships with 210 medical institutions.**

Affordability of Medicaments

Ensuring that people can afford necessary medicines is crucial for achieving global health goals. However, affordability of medicines requires concerted efforts from businesses, governments, and non-profit organizations. As a corporate entity, it is essential for us to effectively manage the costs associated with medicines to ensure that patients can afford treatment. This not only benefits patients but also ensures the sustainability of the business itself.

Reasonable Pricing

Oneness has entrusted an international consulting firm to conduct pricing recommendations analysis for key markets, including insurance companies and healthcare professionals, in order to establish the optimal global pricing range. In the future, the pricing of medicines upon launch in different countries will be determined based on parameters such as each countries' GDP and income tailored pricing approach, to establish appropriate local medicine pricing.

Health Insurance Benefits

Taiwan's National Health Insurance system ensures that the public can receive comprehensive medical care. FESPIXON® cream a new domestic pharmaceutical product, is the only prescription drug approved by the Ministry of Health and Welfare for the treatment of diabetic foot ulcers (DFU). Its novel mechanism promotes healing by regulating M1/M2 macrophages and rebalancing the wound microenvironment. On August 1, 2023, it was approved by the National Health Insurance Administration for inclusion in national health insurance coverage. This allows eligible DFU patients to receive early treatment with FESPIXON® cream, promoting wound healing, reducing the risk of ulcer deterioration and amputation, and providing the best possible public healthcare for diabetic patients.

Long-term Donation Program

Oneness announced the "Medical Subsidy Policy for Low-income DFU Patients." Under this program, low-income patients will receive "FESPIXON® cream" free of charge to promote the healing of foot ulcers, thereby reducing the need for amputation and preventing disability. **In 2021, 6 low-income patients were subsidized. In 2022, a total of 17 low-income patients have been subsidized. In 2023, we supported 5 low-income patients and donated a total of 12 FESPIXON® cream.**

5.5 Social Engagement

Oneness Biotech actively fulfills the duties of corporate citizens. In addition to pursuing corporate development and enhancing profits for shareholders, partners, and employees, the Company also considers the community as one of our key stakeholders. Through the core business of the pharmaceutical industry, the Company continues to contribute to the Sustainable Development Goals (SDGs). Particularly, the Company is committed to SDG 3, which aims to ensure healthy lives and promote well-being for all at all ages. The Company sees itself responsible to promote the health and well-being of global humanity. Therefore, we focus our social participation efforts on issues related to "Healthcare". The Company collaborates with external educational institutions, associations, NGOs, and community groups to allocate resources to care for disadvantaged communities. This reflects Oneness' commitment to the corporate social responsibility principle of "taking from society and giving back to society", ultimately fostering social prosperity.

» Strengthening Community Health Care

Strengthening community health care is critical to overall public health, and by enhancing individual and civic capacities, better health outcomes can be promoted. Pharmaceutical companies play a vital role in this trend, especially in providing innovative medical solutions and drug therapies. Additionally, biopharmaceutical companies may also engage in health promotion and educational activities to increase community residents' awareness of health and disease treatment.

Social Welfare Video for Public Health Education

Oneness Biotech collaborated with Taiwan Society for Burn Injuries and Wound Healing, Taiwan Society for Wound Care, and Taiwan Society of Plastic Surgery, to produce the "Diabetic Foot Care" public welfare video. Additionally, we have collaborated with domestic wound care experts to produce a series of educational videos on diabetic foot care. These initiatives aim to enhance awareness of diabetic foot ulcers among the general public and diabetic patients, and to jointly advocate for regular foot inspections by diabetic patients and prompt medical treatment in case of ulceration. We intend to expand the influence in society, increase the health knowledge of patients and protect the patients' right to access medicine.

01

Patient Education for DFU

Watch Video

02

Educational Video - What is DFU

Watch Video

03

DFU Public Service Announcement

Watch Video

World Diabetes Day Initiative

Every year around World Diabetes Day on November 14th, Taiwan holds various activities to promote diabetes-related knowledge. The '2023 United Nations World Diabetes Day Carnival and Lighting Ceremony' took place on November 4th in the Yancheng District of Kaohsiung, with nearly 50 booths and an attendance of 1000-1500 people. Oneness Biotech responded to World Diabetes Day activities, echoing this year's theme "Access to Diabetes Care," by donating NT$150,000 and mobilizing over 10 employees as volunteers. During the event, through educational games, they provided healthcare professionals and diabetic patients with more diabetes information to help the public better understand how to properly care for diabetic friends.

Participation in External Associations

The research and development of new drugs is a highly regulated and supervised industry characterized by dramatic changes and uncertainties. In addition to its business operations, Oneness Biotech actively participates in external associations in order to gain better understanding of the latest industry trends, legal developments, and positive interactions with competitors in the same industry.

Association Participated	Membership
Institute for Biotechnology and Medicine Industry	Member
Taiwan Parenteral Drug Association	Member
Taiwan Bio Industry Organization	Member
Taiwan Pharmaceutical Manufacture's Association	Member
Taiwan Society of Regulatory Affairs for Medical Products	Member

» Public Welfare Activities

Oneness Biotech Integrates Community Care Investment into the Core Business

Unit: NTD

Cooperative Unit	Investment Amount
0922 The police and firefighters injured in the explosion at the Ming Yang International Factory in Pingtung Technology Industrial Park	1,000,000
China Medical University, Taiwan	72,000
Taiwan Orthopedic Trauma Association	100,000
Taiwan Society For Wound Care	20,000
The Diabetes Association of the Republic of China (Taiwan)	150,000
BOYO Social Welfare Foundation	550,000
Teh-Tzer Study Group for Human Medical Research Foundation	1,400,000
Taiwan Society of Plastic Surgery	290,000
Taiwan Society for Burn Injuries and Wound Healing	168,000
Ministry of Health and Welfare, Shuang Ho Hospital (constructed and operated by Taipei Medical University)	15,777
Total	**3,765,777**

Interaction with Communities

Cotton Field Organic Farm organizes community activities to give local residents the opportunity to learn about local agricultural specialties. Children can closely observe plants and learn through interesting activities. The food and farming concept is deeply rooted in their minds.

1 On April 11, 2023, we invited local kindergarten children to visit and learn the concept of "food and agriculture education". We led the children into the cherry tomato field, where they can observe the picking and harvesting of the fruits firsthand. The children engaged their senses to experience nature, while learning about the methods of cherry tomato cultivation through explanations from the farm staff. They gained insights into how farmers carefully nurture the plants, fostering a deeper understanding of where the cherry tomatoes they eat come from. The organic farm uses natural bee pollination methods, enhancing the children's curiosity and interest in nature, as well as fostering a sense of care for the land among the children. Finally, the children had the opportunity to handpick small cherry tomatoes, akin to precious rubies, allowing them to enjoy locally grown, low-carbon cherry tomatoes!



2 On June 6,2023, we invited local university students for a visit. Through explanations from farm staff, the cultivation methods of organic okra and organic pumpkins were elucidated. This allowed undergraduate students to gain a clearer understanding of organic concepts, and through onsite plant observation, they developed a deeper understanding of organic cultivation.


Political Donation

"Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" are established and published in our website. The details are described as below:

- Any illegal political donation or contribution is prohibited (Article 7 of "Ethical Corporate Management Best Practice Principles").
- When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managerial officers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and the relevant internal procedures, and shall not make such donations in exchange for commercial gains or business advantages. (Article 11 of "Ethical Corporate Management Best Practice Principles"). Any political donation shall be offered in accordance with regulations (Article 21 of "Ethical Corporate Management Best Practice Principles").
- Any personnel of the Company is prohibited from, in the course of their duties, directly or indirectly providing any "benefits", which include any money, endowment, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name to public servants, political candidates, party members in exchange for interest gains or protection (Article 3 and 4 of "Procedures for Ethical Management and Guidelines for Conduct").

Political Donation in 2023

Category	2019	2020	2021	2022	2023
Lobbying interest representation	0	0	0	0	0
Donation to local, regional or national political campaigns	0	0	0	0	0
Donation to tax-exempt groups such as trade associations or political think tanks	0	0	0	0	0
Donation to ballot measures or referendums related activities	0	0	0	0	0

06 Environmental Protection

Based on the corporate mission of the "Developing New Drugs and Caring for Life," as Oneness Biotech pursues corporate growth by innovating and developing drugs, the Company also constantly seeks out innovative methods to reduce its environmental impact, to move towards sustainable business operations, to create healthy lifestyles for the human beings, and to maintain a sustainable environment for future generations.

2023 KEY PERFORMANCE

Environmental Management

- 100% of manufacturing plants passed third-party verification of the ISO 14001 environmental management system.
- For four consecutive years (2020 - 2023), no violations of environmental regulations or penalties resulting from violations occurred.
- For four consecutive years (2020 - 2023), we have been certified by the Pingtung County Government as a private enterprise with outstanding performance in green procurement. The amount of green procurement exceeds NTD 2 million per year, reaching NTD 4.87 million in 2023.

Climate Actions

- GHG inventory and third-party verification according to ISO 14064-1 ahead of the deadline (2029) set in the FSC's "Sustainable Development Guidemap" completed.
- No operational disruptions caused by climate-related disasters.

Water Resources and Biodiversity

- Daily voluntary wastewater testing, and testing values are lower than regulatory requirements.
- All sites are protected from water stress or biodiversity hotspots.
- No chemical pesticides were used in plant raw materials, meeting GACP regulations.

Chemical Substances and Waste Management

- No substances of very high concern listed in the EU REACH directive were used in raw materials or manufacturing processes.
- Zero waste to landfill.

MATERIAL TOPICS AND 2025 SUSTAINABILITY TARGETS

Topic	Strategy	2025 Targets
Climate Strategies	Implement energy conservation and carbon reduction measures to reduce carbon emissions and climate risks.	▸ 100% elimination or offsetting of Scope 1 and 2 emissions to achieve carbon neutrality by 2025. ▸ Introduce renewable energy before 2025, and the green power utilization rate of Nanchou Plant by more than 20%.

GOVERNANCE

Risk Management Committee — Master risk management and supervise the implementation status of response plans.

Management Section — Analyze global sustainability trends and facilitate cross-ministerial coordination and cooperation.

Sustainable Development Team — Implement renewable energy and process energy saving improvement projects.

STRATEGY

Reduce the operational carbon footprint across the Company by identifying significant climate risks and opportunities, and planning proactive climate actions through scenario simulation, including the promotion of GHG inventory and verification, process energy conservation, renewable energy, and carbon credit projects.

2023 IMPLEMENTATION RESULTS

- Complete inventory according to **ISO 14064-1** and pass third-party verification by DNV.
- A 170.15KW PV device has been installation. The solar power installed in September 2023 and generated reached **54,336 kWh**, resulting in a carbon reduction of **26,896 kgCO_2e**.
- The rooftop of the Nanchou Plant has completed the evaluation for self-generated renewable energy use, and renewable energy usage will be expanded.

6.1 Environmental Management

According to a 2021 survey by GlobalData[1], 43% of the professionals believed that environmental issues were the most important issue that needs to be resolved in the field of ESG sustainable development for the pharmaceutical industry. Climate change, pollution prevention, and resource conservation have received the most attention amongst all environmental issues. To comprehensively and systematically manage material environmental issues, Oneness Biotech follows the ISO 14001 environmental management system to establish and supervise effective management mechanisms, enhance resource efficiency, and reduce environmental impact.

Note 1: GlobalData, Pharma Intelligence Center

Environmental Policy

The Company actively establishes positive interactions with stakeholders such as employees, suppliers, and contractors, based on which environmental and occupational safety and health policies are formulated and implemented after the chairman's approval. For information on environmental policy-related commitments, implementation guidelines, and roles and responsibilities, please refer to the Oneness Biotech's website (ESG/Environmental Protection/Environmental & OHS Policy and Commitments).

- Complying with Legal Standards and Mitigating Operational Risks
- Protecting Natural Resources and Achieving Green Operations
- Promoting Sustainable Procurement and Minimizing Environmental Impacts
- Marketing Green Products and unleashing Competitive Advantages
- Implementing Sustainability Improvements and Enhancing Environmental Performance

Environmentally Friendly Design

Through environmentally friendly design, the impact of products and processes on the environment can be effectively reduced. In addition to the obligation to comply with environmental regulations, we further analyze and assess significant environmental impact factors from a life cycle perspective. In 2022, the Company conducted a life cycle assessment of FESPIXON® products in accordance with ISO 14040 and ISO 14044. We conduct a comprehensive inventory from the acquisition of raw materials, manufacturing, distribution and sale of products to their use and final recycling of waste. We also analyze the impact of each step on resource utilization, ecological impact, and human health. The relevant information is verified by a third party through SGS.

Life Cycle Stage	Strategies and measures to reduce environmental impacts
Raw Materials	FESPIXON® uses natural herbs as its main raw material. Natural ingredients can reduce GHG emissions and environmental impact compared to using chemical raw materials. Product ingredients can be found in the package insert .
Manufacturing	According to the analysis, electricity consumption in the production stage is a significant source of carbon emissions. We will gradually promote energy-saving measures such as air conditioners and air compressor improvements by purchasing environmentally friendly materials and energy-saving equipment. At the same time, no hazardous substances are used in the manufacturing process, and materials with a high recycling rate are used.
Packaging and Shipping	Our packaging does not contain hazardous substances and materials with a high recycling rate or recyclables. At the same time, transportation routes are optimized to avoid unnecessary transportation trips.
Waste Disposal	Implement sorting, reusing, and recycling waste.

ISO 14040, ISO 14044
Life Cycle Assessment

ISO 14001:2015
Environmental
Management Systems

Green Procurement

Oneness Biotech supports green procurement, and prioritizes products with environmental protection labels. For four consecutive years from 2020 to 2023, we have been certified by the Pingtung County Government as a private enterprise with outstanding performance in green procurement. The amount of green procurement exceeds NTD 2 million per year and is increasing year by year, reaching NTD 4.87 million in 2023. We are promoting the development of green industries through practical actions.

EMS Internal Audits

An internal audit is performed once a year, during which personnel from across departments review the operation of the environmental system according to the principles of impartiality, objectivity, and independence. If anomalies or defects are found, the responsible unit will take corrective measures and complete them within a certain period of time. The latest internal audit was completed on December 8, 2023.

EMS External Verification

External professional review and communication will help to enhance the effective operation of the environmental management system. The Company regularly commissions an independent third-party organization to conduct verification. The most recent verification was completed in January 2024, and the verification is valid until March 2027.

6.2 Climate Actions

Implementing ESG strategies and promoting low-carbon operations has become a global development trend, and the pharmaceutical industry must also take initiative to reduce emissions in our operations. Found by a research published in the 2019 Journal of Cleaner Production17, since pharma-manufacturing requires higher standards at temperature controlling, humidity controlling, and sanitization, and is in small size batches, it generates 55% more greenhouse gas emissions per unit of revenue than the automotive industry does. This also means that the pharmaceutical industry needs to be more proactive in improving energy efficiency and reducing its carbon footprint.

Oneness Biotech recognizes the enormous impact of climate change on the economy, society, and the environment. As one of the leading biotech pharmaceutical companies in Taiwan, we must heed our corporate social responsibility and respond to the challenges brought forth by climate change. In 2023, the Oneness Biotech Risk Management Committee identified climate change as one of the potential risks. To measure and analyze the impact of climate-related risks and to formulate control measures, we adopted the framework from the Task Force on Climate-related Financial Disclosure (TCFD) issued by the Financial Stability Board (FSB). Based on the framework, we disclosed our governance, strategies, risk management and metrics, and targets to help investors and stakeholders understand Oneness Biotech's climate actions.

Note: Carbon footprint of the global pharmaceutical industry and relative impact of its major players, 2019

Governance

Climate strategy is one of the major risks identified by the Company and incorporated into the Company's risk management process. The Board of Directors monitors, manages, and makes decisions on such issues and sets up dedicated units in charge of implementation of corresponding contingency measures.

The ESG Committee reported the progress and result of sustainable development and risk management to the Board of Directors on February 24, August 10, and November 9, 2023. The Board of Directors supervised the progress of the implementation of sustainable development matters, including GHG inventory and the verification program.

Board of Directors and Functional Committees

Board of Directors
- Approve, review and supervise policies and procedures for sustainable development and risk management.
- Supervise the response actions and implementation progress to ensure the effective operation of the management mechanism.

Risk Management Committee
- Examine the risk identification, measurement, monitoring, response, and track the implementation.
- Promote a risk culture and make recommendations for improvement of the risk management policies and procedures.

Management

General Manager

Risk Management Task Force
- Responsible unit for risk management.
- Independent of business units and operating activities in exercising duties.
- Ensure that approved risk response measures are effective.

Sustainability Committee
- Promote the strategic development of ESG issues (including climate actions) to monitor the achievement of various goals.
- Identify major topics and formulate management approaches.

Executive Unit

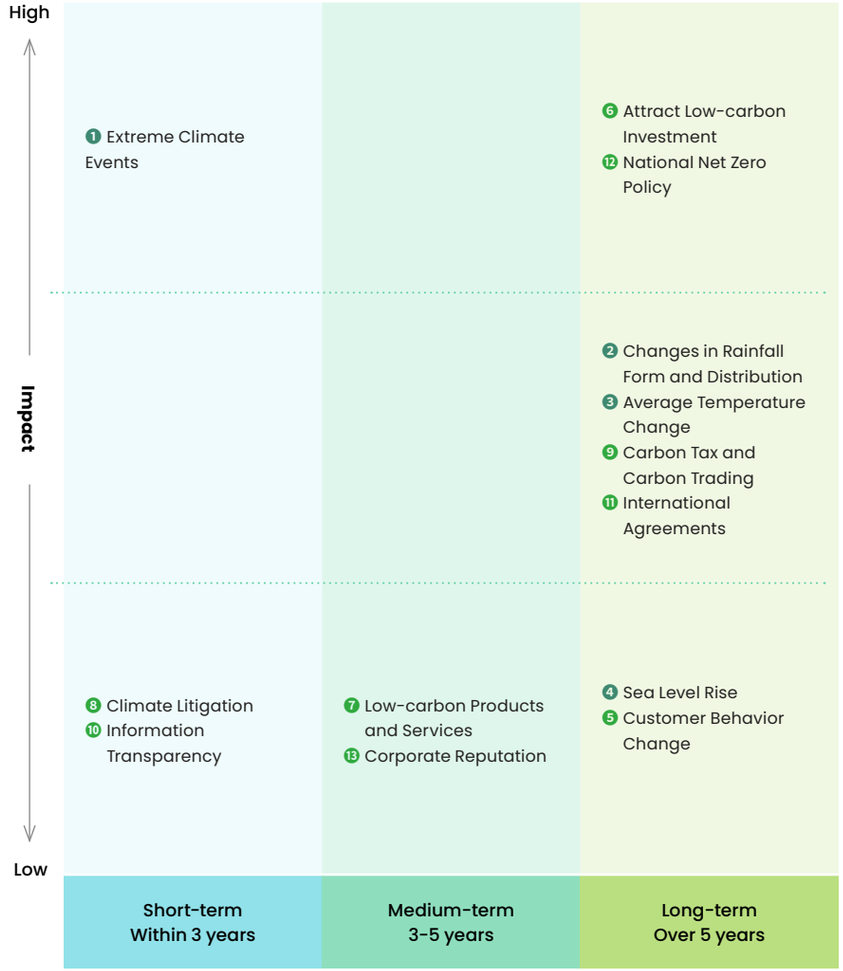
Environmental Safety | **Corporate Governance** | **Social Involvement** | **Drug Safety**

- Responsible for identifying, assessing and measuring sustainability (including climate) risks related to the business.
- Promote sustainable development actions and various risk management countermeasures.
- Establish routine communication channels with stakeholders to understand and respond to stakeholders' expectations.

Strategy

To raise awareness about the shot, medium and long term climate-related risks and opportunities, Oneness Biotech had held multiple workshops participated by dedicated specialists and senior managers from various departments who had intensive discussions with external third-party professional teams to analyze potential physical and transition risks as well as related business opportunities. The Company then formulated mitigation and adaptation strategies to enhance corporate climate resilience.

Climate Risks and Opportunity Matrix



Climate Risks and Impacts

	Climate Risk Factors	Impact Description		
		Upstream	Operations	Downstream
Physical Risks	1 Extreme Climate Events	▸ Impact on harvests of raw materials ▸ Climate disasters affect raw material transportation	▸ Cause equipment damage or personal injury	▸ Climate-related disasters impact product distribution
Physical Risks	2 Changes in Rainfall Form and Distribution	▸ Impact on harvests of raw materials	▸ Water availability	-
Physical Risks	3 Average Temperature Change	▸ Heat-related downtime	▸ Increase in electricity consumption	-
Physical Risks	4 Sea Level Rise	▸ Suppliers close to the sea forced to relocate their factories	▸ Road disruptions around the plant	▸ Impact on product delivery
Transition Risks	5 Customer Behavior Change	-	-	▸ Customers choose products with corporate sustainability performance
Transition Risks	6 Attract Low-carbon Investment	-	▸ Climate action will not satisfy investors	-
Transition Risks	7 Low-carbon Products and Services	-	▸ Competitors introduce lower-carbon products	-
Transition Risks	8 Climate Litigation	-	▸ Fines or lawsuits for violating climate laws	-
Transition Risks	9 Carbon Tax and Carbon Trading	▸ Rising production costs	▸ Rising procurement and manufacturing costs	▸ Product selling price affected
Transition Risks	10 Information Transparency	-	▸ Implement annual regulatory measures	-
Transition Risks	11 International Agreements	-	▸ Implement annual regulatory measures	-
Transition Risks	12 National Net Zero Policy	▸ Rising production costs	▸ Compulsory use of renewable energy	▸ Rising production costs
Transition Risks	13 Corporate Reputation	-	▸ Impact on investor and customer confidence	-

In consideration of the degree of impact and occurrence time, as for short-term (within 3 years), the most significant climate-related risk identified is "Extreme Climate Events". The long term (over 5 years), "Attract Low-carbon Investment" and "National Net Zero Policy" have a higher impact. We have therefore formulated contingency strategies and launched mitigation and adaptation actions to enhance climate resilience. To enhance climate resilience to mitigate risks, the workshops also identified potential development opportunities in response to climate change.

Opportunity Factors		Opportunity Description	Response Strategies
Climate Mitigation Opportunities	Low-carbon Technology Transition	Reduce the operational carbon footprint, lower operating costs and improve corporate reputation.	Improve energy efficiency and plan the use of renewable energy, enhance ESG performance and enhance competitiveness
Climate Adaptation Opportunities	Enhance Climate Resilience	Foster climate change mitigation and adaptation capabilities	Strengthen employees' knowledge of environmental protection and keep abreast of climate risks and opportunities.
	Improve Human Health	Climate change affects public health and increases market demand.	Invest in R&D momentum for potential markets.

Scenarios for Resilience

Physical Risks

We assess physical risks arising from the impact of climate change on business operations with reference to IPCC (Intergovernmental Panel on Climate Change) and AR6 (Assessment Report) methods. Oneness analyzed the physical climate risk based on the SSP5-8.5 scenario set forth by the Intergovernmental Panel on Climate Change (IPCC) AR6.

● Scenario Assumptions

Scenario		Description
SSP1	Sustainability	The whole world views climate change as a material issue and makes an all-out concerted effort to mitigate its impact
SSP2	Middle of the road	The world follows a path in which development trends do not shift markedly from current patterns
SSP3	Regional rivalry	A resurgent nationalism or regionalism results in an economic development path characterized by an increasing focus on national/regional competitiveness and disregard of cross-regional environmental impacts
SSP4	Inequality	Increasing inequalities and stratification between developed, underdeveloped, and developing countries result in varying levels of concern for climate issues
SSP5	Fossil-fueled development	Against the backdrop of increasing integration of global markets and successful resolution of numerous environmental issues, there is faith in the ability to realize sustainable development despite the ongoing exploitation of abundant fossil fuel resources

According to the assessment by National Science and Technology Center for Disaster Reduction (NCDR), the max 1-day precipitation amount will increase 20% and 41.3% in the middle and end of 21th century in the worst scenario (SSP5-8.5)

● **Impact Assessment and Response Strategies**

Oneness adopted the disaster potential map of the National Science and Technology Center for Disaster Reduction marked risk of flood disasters of each area in Taiwan, placing the area of potential flooding caused by extreme rainfall, a daily rainfall exceeding 650 mm, with the Nanchou Plant area (Figure 1), it shows that the Nanchou Plant is not in the potential flooding area under the extreme rainfall scenarios. In order to prevent floods with high standards, the height of the Nanchou Plant was increased by 85 cm during the planning of the construction and a comprehensive drainage system was set up to effectively reduce the impact.

On the other hand, Oneness Biotech has planed the storehouse in the Nanchou Plant to store the amount of dry material for 2-years production capacity, and established inventory principles to avoid interruption of supply caused by flooding. The raw materials have a safe inventory amount ranging from three months to one year in response to the delivery duration to ensure that the inventory can be replenished at any time as well. Plectranthus amboinicusis planned to be grown in different sites to avoid the climate impact of a single region.

The subsidiary Cotton Field Organic Farm is in an area of potential flooding caused by extreme rainfall with a daily rainfall exceeding 650 mm (Figure 2).

In order to avoid the impact of extreme rainfall, the government has built a retarding basin with an area of approximately 10 hectares in the local area. Cotton Field Organic Farm not only has added facilities such as its own retarding basin, water gates, and water pumps in the area, but also conducted drainage cleanings every year, so that it is expected to effectively reduce the risk of flooding.

▲Figure 1, Flood risk for Nanchou Plant

▲Figure 2, Flood risk for Cotton Field Organic Farm

Transition Risks

We expect the government to develop various policy tools to achieve carbon reduction goals in order to comply with the Paris Agreement. These policies will be the main factors affecting the Company's transition risk. Therefore, we use the Intended Nationally Determined Contribution (INDC) for scenario simulation.

● **Scenario Assumptions**

After submitting the INDC in 2015, the Taiwan government further passed the "Climate Change Response Act" in 2023, explicitly setting the goal of achieving net-zero by 2050, and will adopt four major strategies and two major foundations as the key for net-zero transformation path.

Net Zero Transformation Policy Goals	Description
Expand the use of renewable energy	Require businesses to use renewable energy and levying a carbon tax or carbon fee
Promotion of green finance	Establish a Sustainable Development Guidemap and expanded sustainability classification

● **Impact Assessment and Response Strategies**

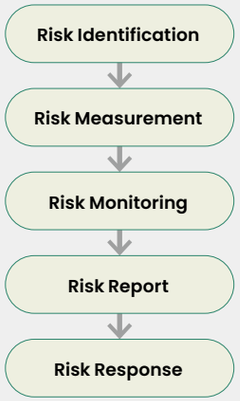
Oneness Biotech is not a large electricity user at the moment. We expect that with the increase of production capacity, the government will gradually lower the threshold of large electricity use. In the future, Oneness Biotech will be required to install a certain percentage of renewable energy, even reaching RE100. Compared with the current industrial electricity price, the electricity price of renewable energy is higher, which will increase the operating cost. On the other hand, the Financial Supervisory Commission (FSC) has promoted the Sustainable Development Guidemap, requiring enterprises to complete GHG inventory and verification. We expect the government to gradually foster corporate carbon reduction, align with the EU taxonomy, and provide funds to companies engaged in low-carbon transformation. Carbon reduction performance not satisfactory in the future will affect the decision-making of investors, or it will be more difficult for the Company to obtain preferential financial terms.

Oneness Biotech completed the erection of the PV devices and energy storage equipment on the roof of the Nanchou dormitory in 2023, and signed a contract with a renewable energy provider to set up a renewable energy source on the top floor of the Nanchou Plant. Oneness has also set up a dedicated unit for sustainable development. In addition to continuing to promote low-carbon manufacturing, we will also pay close attention to global climate-related measures, and strengthen the Company's sustainable culture through communication with other stakeholders in response to the government's net-zero transformation policy.

» Risk Management

In order to enhance the Company's corporate governance, establish an effective risk management mechanism, assess and supervise the risk-taking ability and the current risk management situation, the Oneness Biotech Board of Directors approved the "Risk Management Policies and Procedures" in 2020 as the Company's highest guiding principle of risk management. Through the policies and procedures, the Company integrates and manages various potential strategic, operational, financial and hazardous (climate change, legal compliance, market competition) risks that may affect operations and profitability, carries out risk warnings and takes appropriate preventive measures, or maintains operational activities in the event of an accident.

The responsible unit identifies relevant risk factors, analyzes the potential impact of each risk on the Company's operations, and develops and adopts measures to control risks within the Company's acceptable range. The Risk Management Committee receives regular reports from the Risk Management Task Force and supervises the status of risk management execution by the Company and its important subsidiaries. At the meeting of the Risk Management Committee in 2023, the risks related to extreme climate were monitored with relevant countermeasures formulated, including, raw material inventories and future production capacity responses.



Metrics and Targets

Risk Control Metrics

Based on the major climate risks identified in 2023, the Company has set relevant indicators to ensure that the risk impact is controlled within an acceptable range.

Risk Factors	Metrics	2023 Performance
Extreme Climate Events	Raw material stability	We established safety stocks ranging from three months to one year according to the delivery date to ensure that the production can replenish the product inventory at any time.
	Water quality monitoring	Reverse osmosis equipment has been installed to ensure that the water quality meets the process standards.
	Damage to equipment and personnel	No climate-related disasters occurred due to disaster prevention drills and education.
National Net Zero Policy	Renewable energy equipment	Completed 170.15KW PV devices and energy storage equipment
Attract Low-carbon Investment	GHG inventory and verification	Completed the GHG inventory and verification according to the schedule and replied to the stakeholders.

Climate Action Reward

At Oneness Biotech, we understand that addressing relevant climate impacts and achieving the carbon reduction target set by 2025 requires the joint efforts of all employees. Therefore, in addition to the linkage between the performance of senior managers and ESG risks to a certain extent, the Company has also set reward standards in the employee reward and punishment system, and relevant rewards obtained by employees are included in the performance appraisal as a basis for promotions, salary adjustments and bonuses. Below are some examples of rewards:

Reward Criteria	Example
Commendation	Proposals for improvement that can reduce costs by 20% or more after implementation
Minor Merit	Conserve materials, resources, or effectively reuse waste.
Major Merit	Significant contributions to the management of the Company

Climate Change Mitigation Goals

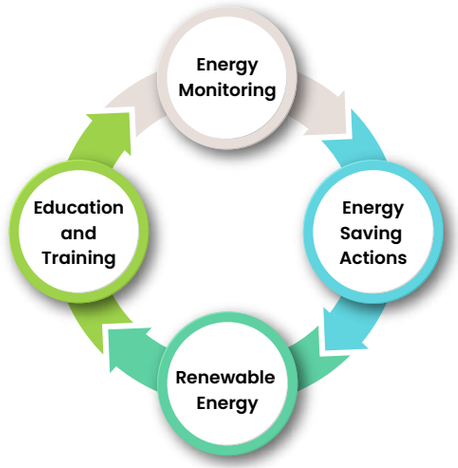
Oneness has taken active carbon reduction after completing greenhouse gas inventory in 2021. Furthermore, we set the ambitious targets that reduce carbon emission year by year, through continue to promote energy-saving replacement, renewable energy and carbon credit projects, and then remove 100% Scope 1 and Scope 2 emissions and reach carbon neutrality by 2025.

Energy Management Plan

Based on the analysis of the carbon footprint of FESPIXON® cream, electricity usage accounts for over 65% of the total carbon emissions, making it the largest source. Therefore, establishing an effective energy management system to improve efficiency is essential for the company to reduce its carbon footprint.

- At the end of 2021, Oneness Biotech conducted the carbon footprint of the FESPIXON® cream to identify life cycle carbon emission hotspots. Third-party verification by SGS Taiwan Ltd. was obtained in April 2022.
- A central control room was established, where the facilities department monitors electricity usage across various areas, analyzes potential energy-saving opportunities, and implements subsequent improvement actions.
- The Nanchou Plant has adopted energy-efficient equipment, such as LED lighting, and is gradually promoting the use of renewable energy.

The factory is equipped with a monitoring system to identify areas that use electricity and heat.



Arrange environmental education and training for colleagues to enhance energy saving awareness.

Promote energy-saving improvement plans to increase energy efficiency.

Install renewable energy and storage devices for low-carbon energy transformation.

2023 Key Energy Conservation Measures

- We set up 170.15kW PV and energy storage equipment in the employee dormitory of the Nanchou Plant at a cost of about NTD 23 million. The generated solar power can be supplied to the equipment load during the day to provide electricity for loading the equipment. The remaining electricity is stored in the energy storage equipment, which will then be supplied to the employee dormitory at night to significantly reduce the use of electric power. After the construction was completed at the end of September 2023, statistics showed that as of December 31, about 54,000 kWh of green power had been generated.
- New employees were required to complete the education and training on the environmental management system, and in-company ESG education and training was arranged. Promotion signs for energy saving and carbon reduction are posted in the plant to raise the environmental protection awareness among our employees.

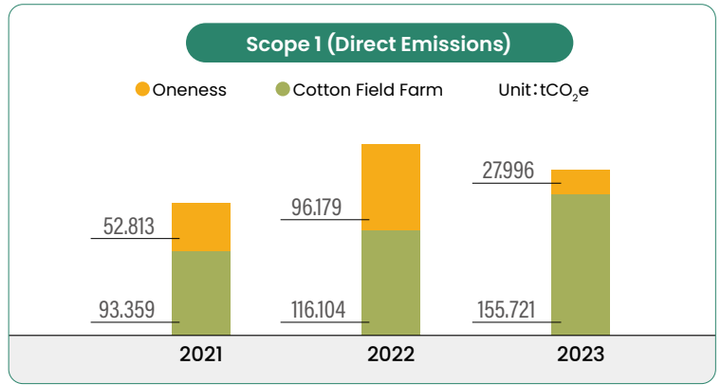
Record Inventory corporate emissions and identify emission hotspots.	In 2021, the carbon footprint of FESPIXON® cream was conducted, and in April 2022, the carbon footprint was verified by the third-party SGS Taiwan Ltd. As the first step of carbon reduction, carbon footprint inventory enables Oneness Biotech to understand the emission hotspots in product life cycles and take effective improvement measures.
Report Establish indicators/targets and incorporate them into the environmental management framework.	We have set the 2025 sustainability goal of achieving carbon neutrality by removing or offsetting all Scope 1 and Scope 2 carbon emissions by 2025 in response to climate change.
Reduce Enhance energy efficiency and reduce emissions.	According to the analysis on carbon footprints, the carbon emission hotspots of Oneness Biotech occurs in the electricity usage of the production phase. Therefore, we regard improving energy efficiency as a key factor in reducing carbon footprint. In the future, we will promote energy conservation measures such as making improvements to air conditioners, and air compressors.
Replace Upgrade equipment and adopt renewable energy.	In 2023, PV devices and energy storage equipment were installed, and an installation power purchase contract was signed with a renewable energy provider to expand PV equipment on the top floor of the Nanchou Plant to meet the increased energy demand for future capacity expansion.
Remove Removal of residual carbon emissions.	Cotton Field Organic Farm has adopted organic farming to increase the content of soil organic carbon and achieve a carbon sink. At the same time, we will reduce residual carbon emissions through nature-based carbon credit projects. Note 1: Nature-based carbon credit projects included forest carbon sinks. They are clean and decarbonized while maintaining biodiversity, protecting soil and water, and promoting local development.

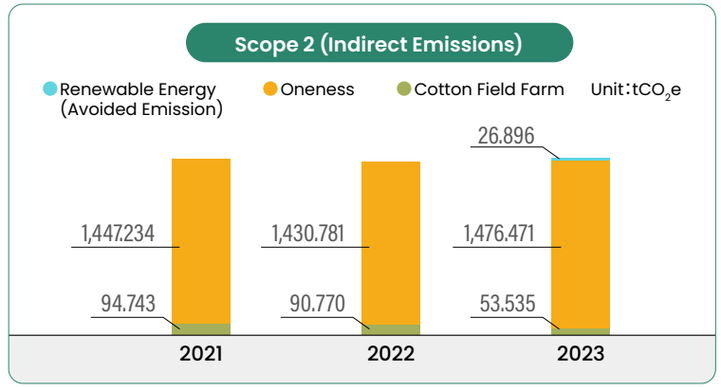
Corporate Carbon Neutrality

Carbon Emission Statistics

Oneness annually conducts GHG inventory in accordance with ISO 14064-1:2018 since FY 2021, which identified emission sources based on the operation control method. The inventory was also validated by third party for the data quality and completeness.

In 2023, due to adjustments in statistical methods, including the adoption of the IPCC AR6 Global Warming Potentials (GWP) and the change in refrigerant calculation from leakage rate to filling amount, the emissions for the baseline year (2021) and FY2022 were recalculated.





Note: For detailed information on energy use and carbon emissions, please refer to the Appendix D.

Carbon Removal

The Soil Organic Carbon (SOC) sequestration capacity, which represents the amount of carbon that soil can absorb annually, varies depending on climate conditions, soil physical and chemical properties, and land management practices. In a specific agricultural system, changes in land use and management practices can alter the amount of soil organic carbon sequestration. Since March 2017, the Cotton Field Organic Farm has exclusively employed organic farming methods. To measure the farm's carbon removal capability, Oneness Biotech commissioned National Chung Hsing University to conduct a survey of soil carbon content. The survey included sampling from both the organic farming area of the farm and neighboring conventional farming areas for comparison. The survey results are as follows:

Items	Sample Size(N)	0-10cm		10-30cm		0-30cm	
		Content of Organic Carbon (%)	Carbon Sink (t C/ha)	Content of Organic Carbon (%)	Carbon Sink (t C/ha)	Content of Organic Carbon (%)	Carbon Sink (t C/ha)
Organic Cucumber	8	1.098±0.095	13.688±1.461	1.002±0.222	32.613±6.817	46.301	169.770
Conventional Cucumber	8	0.972±0.073	12.242±1.143	0.543±0.034	17.242±2.355	29.483	108.104
Organic Corn	10	1.218±0.071	16.362±1.724	0.835±1.130	24.523±3.214	40.885	149.912
Conventional Corn	8	0.862±0.048	11.290±1.565	0.645±0.044	22.327±1.615	33.617	123.262

Based on the soil survey plan and the calculation formula for soil organic carbon sequestration rate mentioned above, assuming:

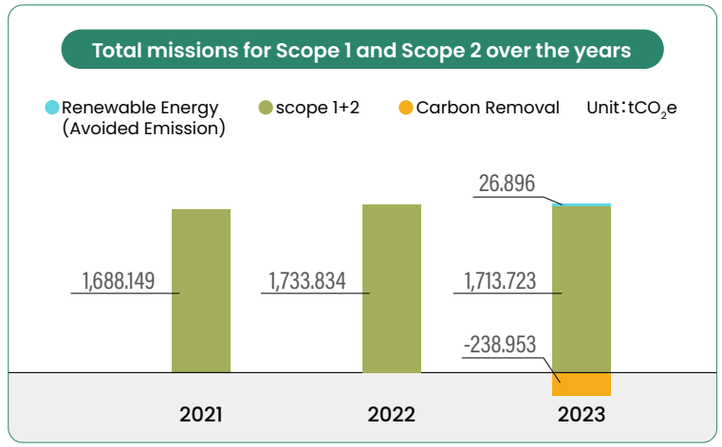
$$SOC\ Sequestration\ Rate = \frac{SOC_{stock^t} - SOC_{stock^{t'}}}{t}$$

- Using the average carbon sequestration data from conventional farming samples as the baseline before land use changes: 115.683 tCO_2e/ha
- Using the average carbon sequestration data from organic farming samples as the outcome after land use changes: 159.841 tCO_2e/ha
- The time period starts from January 1, 2018 (considering the need for land preparation and greenhouse establishment after leasing), spanning 6 years.

Certified organic area of Cotton Field Organic Farm: 32.4679 hectares. The estimated annual soil carbon sequestration rate of Cotton Field Organic Farm: 238.953 tCO_2e

$$\frac{159.841 - 115.683}{6} \times 32.4679 = 238.953$$

Note: This data is based on estimates derived from soil sampling conducted by National Chung Hsing University and has not been verified under ISO 14064-3 standards. Due to the lack of initial soil carbon content measurements, estimates were based on soil carbon content values from nearby conventional farming areas. Furthermore, losses from clearing, wood burning, and soil disturbance were not deducted.



Scope 3 Other Indirect Emissions

Oneness Biotech bases its carbon footprint assessment on the results from "FESPIXON® cream". Following a principle of significance analysis, the Company disclose emissions associated with "purchased products and services," "upstream transportation of products," "fuel and energy activities," "business travel," and "operational waste." Each year, the Company expand the scope of significant Scope 3 emissions based on factors such as anticipated emissions, monitoring capabilities, reduction potential, risks and opportunities, and stakeholder relationships. Please refer to the Appendix D for detailed emissions data under Scope 3.

6.3 Water Resources

Water is an essential resource in the pharmaceutical process of Oneness Biotech. Water plays a key role in the cultivation of botanical raw materials, active pharmaceutical ingredients (APIs), and the preparation of medicines and medical supplements. As a pharmaceutical company committed to sustainable development, we have completed the assessment and mitigation of the risks associated with water quality deterioration, scarcity, and water use and wastewater management.

Water Risk Analysis

Oneness Biotech has used multiple management tools to analyze water shortage risks at upstream raw material cultivation sites (including Cotton Field Organic Farm) and operating locations. After assessment, all of our operations and the cultivation of our main raw materials are located in areas with low water supply risk, and there is no risk of immediate water shortage. However, as the impact of global climate change intensifies, there is a high degree of uncertainty in the stable long-term supply of water resources. To cope with possible future water shortage challenges, we are committed to promoting good water resources management, including effective use of water resources and stringent measures for treatment of water discharges.

Water Risk Assessment Instrument

- WRI Aqueduct
- WWF Water Risk Filter
- Ecolab Water Risk Monetizer
- Climate Change Hazard Risk Assessment
- Internal Assessment

Risk Assessment Results

Upstream Raw Material Cultivation (Including Cotton Field Organic Farm)

Planting water sources as groundwater, with all locations situated in low water scarcity risk areas. Crops are Non-intensive and low water consumption, with stable water quality and quantity, assessed as low-risk.

Production of Medicines and Medical Supplements

Office locations rely on public water supply with no water scarcity risk. The Nanchou Plant primarily utilizes groundwater, with stable water quality and quantity, assessed as low-risk.

Water Usage Monitoring

To enhance water conservation and management, it is appropriate to regularly collect water usage data and implement comprehensive water monitoring. However, the building management unit of Nangang Laboratory was unable to provide information on water charges, and Cotton Field Organic Farm uses groundwater which has not been tallied the consumption. Both were not included in the statistics. All withdrawal is from fresh water. According to the WRI data, Taiwan is categorized as a low-medium (1-2) area in the Baseline Water Stress Map.

Water Withdrawal Unit: M^3

Locations	Water Source	2020	2021	2022	2023
Xinyi	Municipal water supply	529	507	508	533
Zhongxiao	Municipal water supply	-	-	-	361
Nanchou Plant	Groundwater	11,340	10,948	13,280	17,355
Total		**11,869**	**11,455**	**13,788**	**18,249**

Water Pollution Prevention and Control

In order to mitigate the potential environmental impact of the operations, the wastewater treatment of Oneness Biotech complies with the requirements of environmental laws and regulations. Wastewater from the Xinyi and Nangang locations is discharged into municipal sewages for treatment, and Cotton Field Organic Farm's wastewater is discharged into local channels. By monitoring water consumption and responsibly disposing wastewater, we not only mitigate our environmental impact but also contribute to the long-term resilience and equity of water rights in the region.

Wastewater Quality Improvement Measures

The Nanchou Plant conducts wastewater treatment according to high standards. In addition to avoiding pollutants at the source, and no heavy metals or harmful chemical substances infiltrated during the manufacturing process, the use of the Up flow anaerobic sludge bed treatment (UASB) and the BioNET systems developed and designed by ITRI allows wastewater to be treated using biological methods. By doing this, we can reduce the use of chemicals, achieving the goal of zero impact on natural water bodies.

We continue to improve the effectiveness of wastewater treatment, control discharge water quality to comply with legal regulations, and regularly monitor the COD value of raw water to make timely adjustments to treatment conditions (e.g. treatment volume, treatment time, pH value of wastewater) based on changes in COD value. Moreover, we use long-term domestication to strengthen the anaerobic bacterial in order to achieve the anaerobic bacterial phase that can tolerate a high ammonia nitrogen environment and increase the COD treatment capacity of raw water.

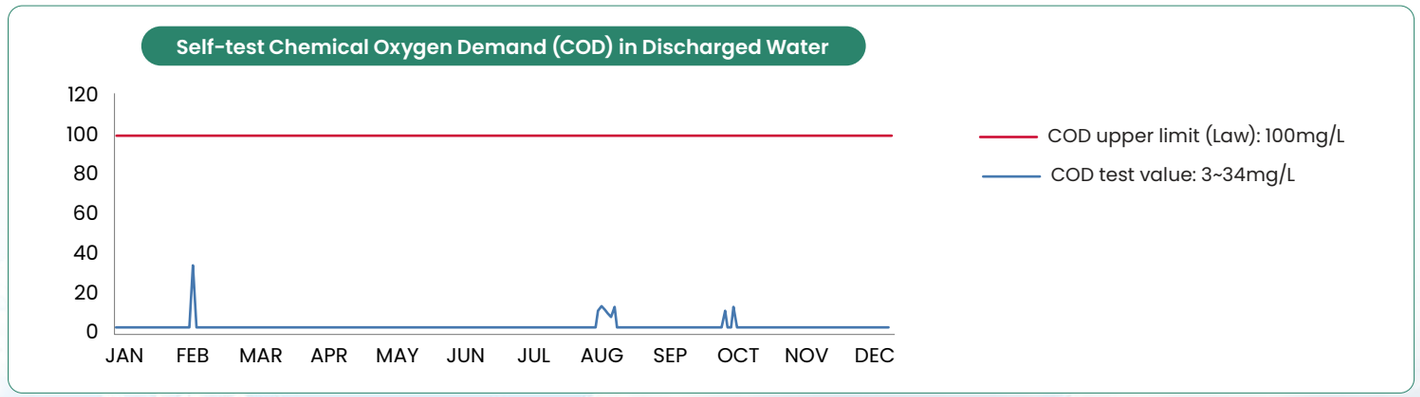
Wastewater Monitoring

The Nanchou Plant operates in a higher standard than the legal requirements, and a third-party impartial unit is commissioned to test whether the discharged water meets the legal discharge standards every 6 months. Meanwhile, Oneness Biotech understands that the area around Nanchou Plant contains a large amount of farmland. In order to let stakeholders understand the quality of the discharged water, Oneness Biotech actively conducts sampling and analysis of the discharged water quality on a "daily" basis. The data obtained is all in line with the discharged water standards and is publicly disclosed on the official website of Oneness Biotech.

Wastewater Volume

Unit: M^3

Location	Waste Water Receiver	2020 (Sep. to Dec.)	2021	2022	2023
The Nanchou Plant	Donggang River	2,387	10,738	8,240	8,251



6.4 Biodiversity

In recent years, biodiversity has become one of the important issues that concern businesses around the world. For the pharmaceutical industry in particular, many drugs are derived from nature. The diverse ecosystems around the world may breed substances with therapeutic efficacy, and there are potential opportunities to develop new drugs and treatment methods.

We recognize that biodiversity is closely related to our business and the power of product innovation. Therefore, we value the protection and sustainable development of biodiversity. The chairman signed the Biodiversity Policy and released it to incorporate biodiversity into the Company's ESG strategy. Based on the policy, we support the principles of the United Nations Convention on Biological Diversity (CBD), continue to protect biodiversity in our operations and supply chains, and adopt proactive measures to ensure that ecological protection is coordinated in all our activities.

Compliance with biodiversity-related laws and regulations

The operations of the Company, subsidiaries and suppliers comply with local laws and regulations. The planting locations of key herbal raw materials are all farmland that meets the regulations, and there is no deforestation or occupation of forest land for cultivation.

Avoid operating activities in biodiversity hotspots.

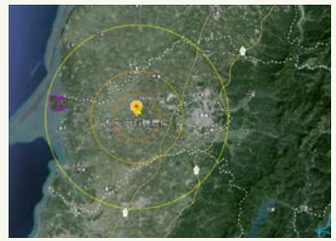
The Nanchou Plant, subsidiary Cotton Field Organic Farm, and the planting areas where our incense raw materials are grown are located in environmentally sensitive areas. There are no nature reserves/reserve areas or important habitats for wild animals within 10 kilometers of the plant.

Conduct biodiversity risk assessments

The method of Integrated Biodiversity Assessment Tool (IBAT) was adopted for the assessment.

Cotton Field Organic Farm

Within a 10-kilometer radius, it does not overlap with a nature reserve/reservation area; within a 20-kilometer radius, it overlaps with the Major Wildlife Habitats of Aogu, Chiayi County. Compared with traditional agriculture, Cotton Field Organic Farm has been dedicated itself to promoting not to use chemical pesticides and synthetic fertilizers. This helps to reduce soil and water pollution, as well as the harm to insects, birds and other wild organisms, and is critical to the protection of biodiversity, making a positive contribution. As a result of our ongoing environmentally friendly management, there have been recorded sightings of the Ring-necked Pheasant (CR on the Red List) and various wild animals on the farm.



The Nanchou Plant and Plantations of Plectranthus Amboinicus

The site does not overlap with nature reserves/reserve areas, important habitats for wild animals within 10 kilometers, and does not have any items on the IUCN Red List of Threatened Species. It was assessed that no direct impact on biodiversity would be caused. To further prevent impacts on biodiversity, we conducted ISO 14040 life cycle assessment (LCA) to analyze the impacts caused by the impact. The results indicated that wastewater management should be the Company's priority. The Nanchou Plant discharges water into the receiving water body - Donggang Stream. To avoid indirect impacting the ecology of Donggang Stream, Oneness Biotech is committed to water resource management to maintain biodiversity around the Nanchou Plant. After assessment, the operation of the Nanchou Plant and plantations of Plectranthus amboinicus will not cause significant impacts on biodiversity.

Note: Concentric circles with radius of 5km, 10km, and 20 km, respectively






6.5 Chemical Substances and Waste Management

Oneness Biotech is committed to creating a sustainable environment for the next generation, and we support the concept of a circular economy as we maximize the efficiency of resource usage through chemical substance management, waste reduction and recycling. In addition to monitoring various environmental indicators at the factory to ensure compliance with all environmental regulations, the dedicated Environmental Health and Safety team continuously promotes improvement plans. This effort aims to minimize environmental impact and move towards the goal of "Zero Pollution".

Chemical Substance Management

As a leading drug R&D company in Taiwan, we strictly control the chemical substances used in our products and processes. The use of safe chemicals is not only the key to maintaining product quality and protecting human health, but also reduces environmental pollution in subsequent waste management and enhances the safety of waste disposal personnel. Oneness introduced the ISO 9001 quality management system and obtained the Taiwan Ministry of Health and Welfare certification PIC/S GMP for APIs, PIC/S GMP and GDP, as well as ISO 13485 for Medical Device Quality Management System. Through strict procedures such as the third-party laboratory testing, audits by specialized personnel, management system audits and review, we are able to implement the control of the sources to achieve comprehensive management of the drug life cycle.

Product Composition	The main ingredient in the product is natural herbs; no harmful substances are added. Or substances listed as Substances of Very High Concern (SVHC) or restricted substances under the EU REACH regulation, ingredient details can be referenced in the product specification sheet.
Process Management	None of the substance of very high concern (SVHC) or REACH restricted substances are used in the production process.

Waste Management

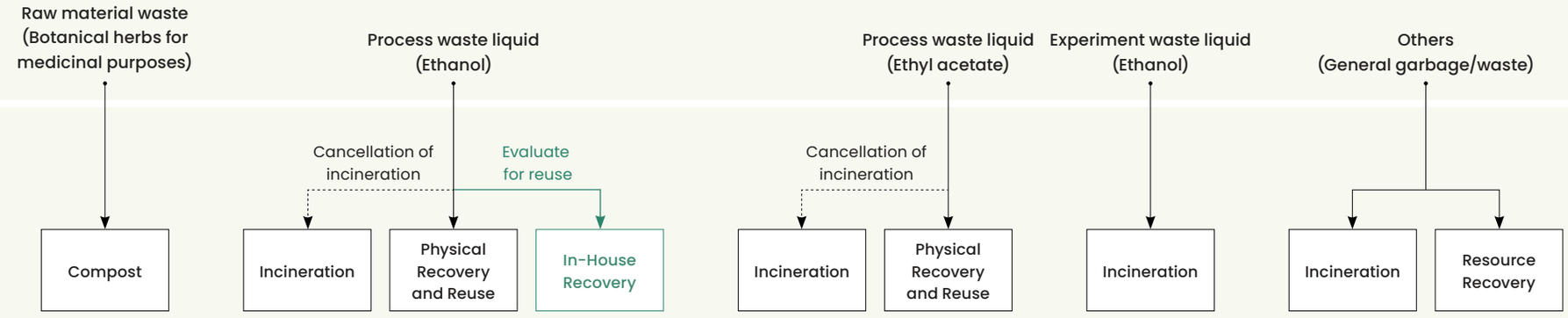
Oneness Biotech's waste is divided into three categories: domestic waste of business employees, general industrial waste, and hazardous industrial waste. The domestic waste of business employees generated by business activities and production processes includes general waste such as fallen leaves collected around the plant that is cleaned and transported by the municipal unit of Pingtung County. General industrial waste includes waste paper, kitchen waste, and general waste from business activities, which can only be removed by approved transportation and disposal companies. Hazardous industrial waste is mainly composed of infectious waste mixtures and flammable industrial waste. Infectious waste is produced in the laboratory. It is sterilized by high temperatures, and then handed over to qualified operators for incineration. Flammable industrial waste is the solvent used during the production process, which was handed over to qualified waste treatment companies for incineration in the past. In order to move towards circular economy, the treatment of waste solvents was shifted to physical recycling since September 2020. To move towards a circular economy, the treatment of waste solvent from the process was changed from incineration to physical recycling in September 2020. In 2023, we further evaluated the recovery of the ethanol waste liquid generated in the process, and distilled and purified it before using it for equipment cleaning, enhancing the efficiency of the use of resources.

Waste Management Targets

- Storage, collection, and disposal of waste strictly comply with 100% legal regulations.
- Promote waste reduction, recycling, and reuse within the factory to enhance resource efficiency.
- Track the flow of waste and enhance resource utilization efficiency through recycling, energy conversion, composting, etc. Direct landfilling of waste or disposal without energy recovery is prohibited, aiming for zero waste to landfill.

Identify Waste Reduction Opportunities

Major Waste Composition



Waste Reduction Action Plan

- Process waste liquid was incinerated in the past, but has been physically recovered by operators after 2020.
- Process waste liquid was treated by incineration in the past, but will be physically recovered by the processor after 2023.

Environmental Education

- Post slogans in the factory to remind garbage classification and reduction.
- New employees receive environmental management system education and training.
- Regularly arrange ESG education and training to improve employees' awareness of environmental protection.

Type and Weight of Waste

Unit: Tons

Locations	Waste Type	Treatment	2020	2021	2022	2023
Nangang	Hazardous Industrial Waste	Incineration with Energy Recovery	4.52	3.59	1.84	5.26
Nanchou Plant	General Industrial Waste	Incineration with Energy Recovery	29.41	33.72	10.5	3.15
	Hazardous Industrial Waste	Mechanical Recycling	62.28	145.29	1.72	21.63

Note:
1. The incineration facilities at Nangang and the Nanchou Plant are equipped with energy recovery equipment.
2. Hazardous industrial wastes at Nangang include: C-0599 infectious waste mixtures, C-0301 waste liquids with a flash point below 60°C (excluding alcoholic wastes with ethanol volume concentration below 24%).
3. Hazardous industrial wastes at the Nanchou Plant consist of: C-0301 waste liquids with a flash point below 60°C (excluding alcoholic wastes with ethanol volume concentration below 24%).
4. General waste from Nangang Office and Xinyi Office is managed by building janitorial staff; no relevant data is included in the statistics.
5. Waste from Cotton Field Organic Farm is collected by local municipal services; no relevant data is included in the statistics.
6. All waste is transported by qualified companies for incineration and recycling, with no unidentified disposal, direct landfilling, or other unrecorded waste.

2023 Waste Management Performance

- Waste diversion rate at the Nanchou Plant: 21.63/24.78 = 87.29%
- Energy recovery: 3.15/24.78 = 12.71%
- Physical recycling: 21.63/24.78 = 87.29%
- Direct landfilling rate: 0%
- Waste conversion rate: 87.29% + 10% = 97.29%
- Note: Calculation of zero landfill conversion rate referenced UL 2799, not verified by UL.

07 Appendix

Appendix A. GRI Content Index

- **Statement of use**—Oneness Biotech Co., Ltd. has reported in accordance with the GRI Standards for the period 2023/01/01 to 2023/12/31.
- **GRI 1 used**—Foundation 2021
- **Applicable GRI Sector Standard(s)**— The subsidiary Cotton Field Organic Co., Ltd. applies to the industry standards GRI 13 for Agriculture, Aquaculture, and Fishing. This report discloses the relevant industry standard contents based on the relevance to the main operations and the assessment results of material topics.

GRI Standard/Other Source	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation	GRI Sector Standard Ref. No.
GRI 2: General Disclosure 2021	2-1	Organizational details	● ESG Overview-About Oneness Biotech	10		
	2-2	Entities included in the organization's sustainability reporting	● About this Report	2		
	2-3	Reporting period, frequency and contact point	● About this Report	2		
	2-4	Restatements of information	● Description in the right column		No restatement of information	
	2-5	External assurance	● About this Report	2		
	2-6	Activities, value chain and other business relationships	● ESG Overview-About Oneness Biotech	10	No product is banned in certain markets; No significant changes in activities, value chain and other business relationships compared to the previous reporting period.	
			● Research & Development-Pharmaceutical Supply Chain Management	36		
	2-7	Employees	● Social Inclusion-Talent Attraction, Retention and Development	68		
	2-8	Workers who are not employees	● Social Inclusion-Diversity, Equality and Inclusion	63		
	2-9	Governance structure and composition	● Corporate Governance-Governance Structure	42	All members of the board of directors are non-executive members.	
	2-10	Nomination and selection of the highest governance body	● Corporate Governance-Governance Structure	43	The nomination and selection processes are in accordance with the Company Act.	
	2-11	Chair of the highest governance body	● Annual Report 2023-Director, general manager, deputy general manager, assistant associate general manager, directors of various departments and branches	29		
	2-12	Role of the highest governance body in overseeing the management of impacts	● ESG Overview-Stakeholders Engagement and Material Topics	13		
			● Corporate Governance-Risk Management	49		
	2-13	Delegation of responsibility for managing impacts	● ESG Overview-Sustainable Management Structure	12		
			● Corporate Governance-Governance Structure	43		
	2-14	Role of the highest governance body in sustainability reporting	● About this Report	2		

(continued on the next page)

GRI Standard/Other Source	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation	GRI Sector Standard Ref. No.
	2-15	Conflicts of interest	• Annual Report 2023-Director, general manager, deputy general manager, assistant associate general manager, directors of various departments and branches	29	The information of Board of Directors' position(s) held concurrently in the Company and/or in any other company and other managers, directors or supervisors who is a spouse, or relative within the second degree of kinship of Board of Directors is disclosed in 2023 Annual Report.	
	2-16	Communication of critical concerns	• ESG Overview-Material Topics	17	No major issue.	
	2-17	Collective knowledge of the highest governance body	• Annual Report 2023-Continuing education for the directors	68		
	2-18	Evaluation of the performance of the highest governance body	• Corporate Governance-Governance Structure	44		
			• Corporate Governance-Risk Management	49		
	2-19	Remuneration policies	• Annual Report 2023-Remuneration paid to Directors, General Manager and Deputy General Manager(s) in the most recent fiscal year	41	The performance bonus of the company's highest governing body is not yet aligned with ESG contribution.	
			• Social Inclusion-Talent Attraction, Retention and Development	77		
	2-20	Process to determine remuneration	• Annual Report 2023-The composition and operation of the Remuneration Committee	69		
	2-21	Annual total compensation ratio			Not disclosed due to the confidentiality concerns of compensation.	
	2-22	Statement on sustainable development strategy	• ESG Overview-Business Philosophy	11		
	2-23	Policy commitments	• Social Inclusion-Diverse and Equal Workplace	63		
	2-24	Embedding policy commitments	• Corporate Governance-Governance Practice	46		
			• Social Inclusion-Diverse and Equal Workplace	63		
	2-25	Processes to remediate negative impacts	• Corporate Governance-Governance Practice	52		
	2-26	Mechanisms for seeking advice and raising concerns	• Official Website-Investors			
	2-27	Compliance with laws and regulations	• Corporate Governance-Legal Compliance	48		
	2-28	Membership associations	• Social Inclusion-Social Engagement	79		
	2-29	Approach to stakeholder engagement	• ESG Overview-Stakeholders Engagement and Material Topics	13		
	2-30	Collective bargaining agreements			No unions were established, and no collective bargaining agreements were signed. Oneness holds labor-management meetings in accordance with regulations every 3 months.	

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GRI Standard/Other Source	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation	GRI Sector Standard Ref. No.
Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	• ESG Overview-Material Topics	17		
	3-2	List of material topics	• ESG Overview-Material Topics	17		
Economic performance						
Legal compliance						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Corporate Governance-Governance Practice	41		
Legal compliance	NA	Number and penalty of major violation of laws and regulations	• Corporate Governance-Governance Practice	41		
Cyber Security						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Corporate Governance-Governance Practice	41		
Cyber Security	NA	Number of breaches to Cyber Security	• Corporate Governance-Cyber Security	56		
Innovation Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Research and Development-R&D Progress and Results	23		
Innovation Management	NA	Expenses and human resource for R&D	• Research and Development-R&D Progress and Results	25		
Intellectual Property Rights Protection						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Corporate Governance-Governance Practice	41		
Intellectual Property Rights Protection	NA	Accumulated number of patent applications	• Corporate Governance-Intellectual Property Rights Protection	58		
Environmental Performance						
Climate strategies						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Environmental Protection-Climate Actions	83		13.1.1
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• Environmental Protection-Climate Actions	108		
	302-3	Energy intensity	• Environmental Protection-Climate Actions	108		
GRI 305: Emission 2016	305-1	Direct (Scope 1) GHG emissions	• Environmental Protection-Climate Actions	111		13.1.2
	305-2	Energy indirect (Scope 2) GHG emissions	• Environmental Protection-Climate Actions	112		13.1.3
	305-3	Other indirect (Scope 3) GHG emissions	• Environmental Protection-Climate Actions	112		13.1.4
	305-4	GHG emissions intensity	• Environmental Protection-Climate Actions	114		13.1.5

(continued on the next page)

GRI Standard/Other Source	Disclosure Number	Disclosure Title	Location	Page	Remark or Explanation	GRI Sector Standard Ref. No.
Social performance						
Drug safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Research and Development-Pharmaceutical Quality Management	23		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	• Research and Development-Pharmaceutical Quality Management	31	New drugs must be rigorously assessed and approved by the relevant health authorities in various countries before they can be marketed. As a result, 100% of the products manufactured by Oneness Biotech undergo health and safety inspections.	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	• Research and Development-Pharmaceutical Quality Management	31		
Human resource development						
GRI 3: Material Topics 2021	3-3	Management of material topics	• Social Inclusion-Talent Attraction, Retention and Development	62		13.15.1
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• Social Inclusion-Talent Attraction, Retention and Development	68		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Social Inclusion-Talent Attraction, Retention and Development	72		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• Social Inclusion-Talent Attraction, Retention and Development	70		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• Corporate Governance-Governance Practice	43		13.15.2
			• Social Inclusion-Talent Attraction, Retention and Development	68		
	405-2	Ratio of basic salary and remuneration of women to men	• Social Inclusion-Talent Attraction, Retention and Development	72		13.15.3

GRI 13: The material topics determined by the organization as not material.			
GRI 13.2 Climate adaptation and resilience	GRI 13.8 Waste and food loss	GRI 13.14 Rights of indigenous peoples	GRI 13.21 Living income
GRI 13.3 Biodiversity	GRI 13.9 Food security	GRI 13.16 Forced or compulsory labor	GRI 13.22 Economic inclusion
GRI 13.4 Natural ecosystem conversion	GRI 13.10 Food safety	GRI 13.17 Child labor	GRI 13.23 Supply chain traceability
GRI 13.5 Soil health	GRI 13.11 Animal health and welfare	GRI 13.18 Freedom of association and collective bargaining	GRI 13.24 Public policy
GRI 13.6 Pesticide use	GRI 13.12 Local communities	GRI 13.19 Occupational health and safety	GRI 13.25 Anti-competitive behavior
GRI 13.7 Water and effluents	GRI 13.13 Land and resource rights	GRI 13.20 Employment practices	GRI 13.26 Anti-corruption

Appendix B. SASB Content Index

Sustainability Accounting Standards Board (SASB) Content Index

Code	Accounting Metric	Category	Disclosure	Chapters	Page
Safety of Clinical Trial Participations					
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Discussion and Analysis	Oneness has established the "Management Procedure for Clinical Trials". To safeguard the rights and benefits of human subjects, clinical trials shall be examined by a thirdparty Institutional Review Board (IRB).	● Research & Development-R&D Progress and Results	30
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Quantitative	Zero (No VAI or OAI occurred during the reporting period.)		
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	Zero (No such losses during the reporting period.)		
Access to Medicines					
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	In Taiwan, Oneness provides free FESPIXON® cream to assist low-income patients with diabetic foot ulcers. Also, promote the Expanded Access Program, which provides patients with investigational products for treatment when they cannot obtain comparable or satisfactory alternative treatments.	● Social Inclusion-Access to Medicine	78
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	Oneness has no such products during the reporting period.		
Affordability & Pricing					
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Quantitative	Zero (No such events occurred during the reporting period.)		
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Quantitative	Not applicable (No drug is available in U.S. market during the reporting period.)		
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantitative	Oneness has appointed an international consulting company to perform the analysis of drug pricing. The FESPIXON® cream launched on May 16th 2021 in Taiwan and the price is 9,800 NTD. The price does not change till 2023/12/31.	● Social Inclusion-Access to Medicine	78

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
Drug Safety					
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Discussion and Analysis	Oneness has no products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database during the reporting period.		
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Quantitative	Zero (No such cases occurred during the reporting period.)		
HC-BP-250a.3	Number of recalls issued, total units recalled	Quantitative	Zero (No such cases occurred during the reporting period.)		
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Quantitative	Zero (No such cases occurred during the reporting period.)		
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Quantitative	Zero (No such cases occurred during the reporting period.)		
Counterfeit Drugs					
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Discussion and Analysis	The lot numbers/product serial numbers are given to each batch of products. The records of receiving inspection, production and examination are saved to maintain traceability and to prevent counterfeiting.	• Research & Development-Pharmaceutical Quality Management	31
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Discussion and Analysis	If there is a suspected case of counterfeit drugs, customers, sales channels or business partners shall notice Oneness immediately. The Oneness QA personnel will then initiate the investigation procedure. If there is no such recall event happened, the Quality Assurance Center is responsible to conduct a simulation audit at least once every to mitigate the relevant risks.	• Research & Development-Pharmaceutical Quality Management	31
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Quantitative	Zero (No such cases occurred during the reporting period.)		
Ethical Marketing					
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	Zero (No such cases occurred during the reporting period.)		
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	Oneness established the "Codes of Ethical Conduct" and "Marketing and Sales Code of Conduct" and comply with the regulations, including WHO's requirements, the Pharmaceutical Affairs Act, the Pharmaceutical Affairs Act Enforcement Rules and other drug and medical-related regulations. Oneness holds internal trainings to ensure the compliance with regulations.	• Corporate Governance-Ethical Management	46

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Code	Accounting Metric	Category	Disclosure	Chapters	Page
Employee Recruitment, Development & Retention					
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Discussion and Analysis	Oneness builds a happy and safe workplace, and promotes equality, diversity and inclusion, to attract talents to join us.	● Social Inclusion-Diverse and Equal Workplace	63
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	Quantitative	Oneness discloses relevant information according to the index. For detailed information, please refer to section "Social Inclusion/ Talent Attraction, Retention, and Development"	● Social Inclusion-Talent Attraction, Retention, and Development	68
Supply Chain Management					
HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent thirdparty audit programs for integrity of supply chain and ingredients	Quantitative	(1) 0% (2) 0% Oneness established "Supplier Management Procedure" to specify the procedure for the examination, evaluation and approval of raw material suppliers. Ensure raw materials are purchased from qualified suppliers and the qualified raw materials are used in the drug production process	● Research & Development-Pharmaceutical Supply Chain Management	36
Business Ethics					
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Quantitative	Zero (No such losses occurred during the reporting period.)		
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	Oneness has formulated the "Marketing and Sales Code of Conduct"which required marketing and sales personnel must comply with relevant laws and regulations and recognize ethical standards of the pharmaceutical industry.		
Activity Metric					
HC-BP-000.A	Number of patients treated	Quantitative	The exact number of patients using FESPIXON® cream cannot be determined. In 2023, a total of 10,764 units were sold.	● Social Inclusion-Access to Medicine	77
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Quantitative	For detailed information, please refer section "R&D Progress and Results" in the ESG Report.	● Research & Development-R&D Progress and Results	22

Appendix C. Social Related Information

» Full-time Employee (Position)

Oneness Biotech

Employee Structure		2020		2021		2022		2023	
		Number	%	Number	%	Number	%	Number	%
Management[1]	Male	4	30.8%	6	42.9%	5	27.8%	5	27.8%
	Female	9	69.2%	8	57.1%	13	72.2%	13	72.2%
R&D (STEM-related positions)[2]	Male	34	49.3%	31	44.9%	42	51.9%	38	41.3%
	Female	35	50.7%	38	55.1%	39	48.1%	54	58.7%
General	Male	24	46.2%	30	39.0%	31	38.3%	28	35.4%
	Female	28	53.8%	47	61.0%	50	61.7%	51	64.6%
Gender	Male	62	46.3%	67	41.9%	78	43.3%	71	37.6%
	Female	72	53.7%	93	58.1%	102	56.7%	118	62.4%
Age	<30	17	12.6%	24	15.0%	18	10.0%	19	10.1%
	30~50	105	78.4%	124	77.5%	151	83.9%	152	80.4%
	>50	12	9.0%	12	7.5%	11	6.1%	18	9.5%
Total workforce		134	-	160	-	180	-	189	-

Cotton Field Organic Farm

Employee Structure		2020		2021		2022		2023	
		Number	%	Number	%	Number	%	Number	%
Management	Male	1	100.0%	2	100.0%	1	100.0%	1	100.0%
	Female	0	0.0%	0	0.0%	0	0.0%	0	0.0%
General	Male	3	75.0%	6	85.7%	5	83.3%	5	71.4%
	Female	1	25.0%	1	14.3%	1	16.7%	2	28.6%
Gender	Male	4	80.0%	8	88.9%	6	85.7%	6	75.0%
	Female	1	20.0%	1	11.1%	1	14.3%	2	25.0%
Age	<30	0	0%	2	22.2%	0	0.0%	2	25.0%
	30~50	3	60.0%	5	55.6%	6	85.7%	5	62.5%
	>50	2	40.0%	2	22.2%	1	14.3%	1	12.5%
Total workforce		5	-	9	-	7	-	8	-

Note:
1. Employees in management positions are defined as supervisors above the manager level of each department.
2. R&D employees are defined as personnel engaged in R&D work, including R&D centers, quality assurance center, and R&D project personnel.

» Full-time Employee (By Region)

Oneness Biotech

Employee Structure		Management		R&D		General		Total	
		Number	%	Number	%	Number	%	Number	%
Race	Asian	18	100.0%	92	100.0%	79	100.0%	189	100.0%
	Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Nationality	Taiwan	18	100.0%	92	100.0%	79	100.0%	189	100.0%
	Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Ethnicity	Chinese	18	100.0%	92	100.0%	78	98.7%	188	99.4%
	Other	0	0.0%	0	0.0%	1	1.3%	1	0.6%
Area	Northern[1]	16	88.9%	79	85.9%	37	46.8%	132	69.8%
	Middle[2]	0	0.0%	0	0.0%	5	6.4%	5	2.6%
	Southern[3]	2	11.1%	13	14.1%	37	46.8%	52	27.6%

Cotton Field Organic Farm

Employee Structure		Management		General		Total	
		Number	%	Number	%	Number	%
Race	Asian	1	100.0%	7	100.0%	8	100.0%
	Other	0	0.0%	0	0.0%	0	0.0%
Nationality	Taiwan	1	100.0%	7	100.0%	8	100.0%
	Other	0	0.0%	0	0.0%	0	0.0%
Ethnicity	Chinese	1	100.0%	7	100.0%	8	100.0%
	Other	0	0.0%	0	0.0%	0	0.0%
Area	Northern	0	0.0%	1	14.3%	1	12.5%
	Middle	1	100.0%	6	85.7%	7	87.5%
	Southern	0	0.0%	0	0.0%	0	0.0%

Note:
1. The northern area of Taiwan includes Keelung, Taipei, New Taipei City, Taoyuan, Hsinchu, Yilan, and Hualien.
2. The middle area of Taiwan includes Taichung, Changhua, Nantou, and Yunlin.
3. The southern area of Taiwan includes Chiayi, Tainan, Kaohsiung, Pingtung, and Taitung.

Non-Full-Time Employees

At Oneness Biotech all employees are full-time; there are no part-time employees, temporary employees or non-guaranteed hours employees. In contrast, Cotton Field Farm hires temporary employees according to the agricultural work schedule, with the number of employees adjusted annually based on farming needs.

Temporary Employee Structure of Cotton Field Farm

Employee Structure		2020		2021		2022		2023	
		Number	%	Number	%	Number	%	Number	%
Gender	Male	0	0.0%	3	42.9%	6	27.3%	0	0.0%
	Female	3	100.0%	4	57.1%	16	72.7%	0	0.0%
Nationality	Taiwan	3	100.0%	7	100.0%	22	100.0%	0	0.0%
	Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Area	Northern	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Middle	3	100.0%	7	100.0%	22	100.0%	0	0.0%
	Southern	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total workforce		3	-	7	-	22	-	0	-

Note: The number of non-full-time employees is calculated based on those still employed as of December 31 of the respective year. In 2023, Cotton Field Farm hired 52 temporary workers from January to November to meet agricultural needs. However, no temporary workers were hired in December 2023 due to the off-season. Therefore, the annual count of non-full-time employees is recorded as zero.

Non-Employee Workers

In addition to its full-time employees, Oneness Biotech employs 3 female cleaners through an external contractor to handle office cleaning. The Nanchou Plant employs 4 male security guards responsible for access control, night patrols, monitoring, and reporting anomalies. Compared to the previous year, the number of non-employee workers increased by 3, including 1 female cleaner and 2 male security guards. The proportion of non-employee workers to the total number of employees is 3.7%. Cotton Field Organic Farm does not employ any non-employee workers.

Table of Diversity Indicators

Oneness Biotech

Oneness Biotech	Male	Female	Share of Female
Junior Management Positions[1]	21	34	61.8%
Middle Management Positions[2]	8	13	61.9%
Senior Management Positions[3]	5	5	50.0%
Top Management Positions[4]	9	17	65.4%
All Management Positions[5]	43	69	61.6%
Management Positions in Revenue-Generating Functions[6]	13	13	50.0%
STEM-Related (R&D) Positions[7]	3	1	25.0%
Total Workforce	71	118	62.4%

Note:
1. Junior management positions- Account Supervisor, Project Supervisor, Section Supervisor and Regional Vice Drug-Sales Manager.
2. Middle management positions- Vice Director, Project Manager, Vice Project Manager, Regional Drug-Sales Manager, Vice Manager and Vice Factory Chief
3. Senior management positions- General Manager, Vice General Manager, Vice Chairman, Assistant Manager, Senior Director, Senior Manager, Director, Factory Chief and Manager
4. Top management positions- management positions with a reporting line at most two levels away from the CEO (according to the definition of S&P CSA)
5. All management positions- including Junior, Middle, Senior and Top management positions.
6. Revenue-generating functions- including Department of Sales and Department of Business Development & Licensing
7. STEM-related (R&D) position- including Division of R&D, Science and Division of Quality Assurance and Department of Medical.

Appendix D. Environmental Related Information

» Energy Consumption

2023 Energy Consumption

Item	Intensity of Activity	Energy Equivalent (MWH)	Energy Equivalent (MJ)	Proportion
Liquefied Petroleum Gas	1,547.000 (kg)	21.646	77,926.579	0.58%
Diesel	59,729.810 (L)	582.007	2,095,226.167	15.47%
Gasoline	1,423.320 (L)	12.878	46,361.518	0.34%
Electricity	3,090,920.178 (kWh)	3,090.920	11,127,312.642	82.17%
Renewable Energy	54,336.220 (kWh)	54.336	195,610.392	1.44%
Total		**3,761.788**	**13,542,437.297**	**100%**

Heating Values: The heating values were quoted from the Energy Administration, Ministry of Economic Affairs.

- Liquefied Petroleum Gas: 6,635 kCal/L
- Diesel: 8,400 kCal/L
- Gasoline: 7,800 kCal/L

Volume Coefficient

- Liquefied Petroleum Gas: 1.818 KL/MT

Annual Energy Consumption Trends

Category	2020	2021	2022	2023
Non Renewable Energy (MWH)	2,514.770	3,050.191	3,567.519	3707.452
Renewable Energy (MWH)	0	0	0	54.336
Data Coverage (%)	93	100	100	100

» Task Force on Climate-related Financial Disclosures (TCFD) Content Index

Index	Page
Governance **Disclose the organization's governance around climate-related risks and opportunities**	
Describe the board's oversight of climate-related risks and opportunities.	85
Describe management's role in assessing and managing climate-related risks and opportunities.	85
Strategy **Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.**	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	86
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	86
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	87
Risk Management **Disclose how the organization identifies, assesses, and manages climate-related risks.**	
Describe the organization's processes for identifying and assessing climate-related risks.	88
Describe the organization's processes for managing climate-related risks.	88
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	88
Metrics and Targets **Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	89
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	89
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	89

» Climate-Related Information of TWSE/TPEx Listed Company

1 Implementation of Climate-Related Information

Item	Implementation status
• Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. • Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). • Describe the financial impact of extreme weather events and transformative actions. • Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. • If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. • If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. • If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. • If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. • Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	• Items 1 to 6 and 8: The Company discloses governance, strategy, risk management, indicators, and targets using the TCFD framework to provide investors and stakeholders with understanding of the Company's response measures. Relevant information is disclosed on the company's website and in the sustainability report. • Item 7: The company does not use internal carbon pricing. • Item 9: For greenhouse gas inventory and assurance details, please refer to the company's website and sustainability report. • Company's climate action information website: https://www.onenessbio.com/tc/csr_detail93_0.htm • Download link for the latest sustainability report: https://www.onenessbio.com/tc/csr_detail23_0.htm

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Year

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

- The data coverage scope: Includes data from the parent company and subsidiaries included in the consolidated financial statements.
- Greenhouse gas emission information: Conducted using ISO 14064-1:2018 for inventory assessment.

Scope 1

Scope of Data Coverage	2022		2023	
	Total Emission (metric tons CO_2e)	Intensity (metric tons CO_2e per million NTD)	Total Emission (metric tons CO_2e)	Intensity (metric tons CO_2e per million NTD)
Parent Company	96.179	0.093	27.996	0.386
Subsidiary Company	116.104	2.993	155.721	6.269
Total	**212.283**	**0.197**	**183.717**	**1.886**

Scope 2

Scope of Data Coverage	2022		2023	
	Total Emission (metric tons CO_2e)	Intensity (metric tons CO_2e per million NTD)	Total Emission (metric tons CO_2e)	Intensity (metric tons CO_2e per million NTD)
Parent Company	1,430.781	1.377	1,476.471	20.347
Subsidiary Company	90.770	2.340	53.535	2.155
Total	**1,521.551**	**1.412**	**1,530.006**	**15.708**

Scope 3

- Please refer to Appendix D. of this report for the items and emissions of Scope 3.

Due to adjustments in our statistical methods, including the adoption of IPCC AR6's greenhouse gas potential (GWP) and changing the calculation of refrigerant from emission rate to filling amount, we have recalculated the emissions for the baseline year (2021) and 2022.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Assurance Information	2022	2023
Scope of Assurance	The Parent Company and Consolidated Financial Statements Subsidiaries	The Parent Company and Consolidated Financial Statements Subsidiaries
Assurance Institutions	DNV Business Assurance Co., Ltd.	DNV Business Assurance Co., Ltd.
Assurance Standards	ISO 14064-3 : 2019	ISO 14064-3 : 2019
Level of assurance (Scope 1)	Reasonable Level of Assurance	Reasonable Level of Assurance
Level of assurance (Scope 2)	Reasonable Level of Assurance	Reasonable Level of Assurance

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

- Based on the emission levels of 2021, our goal is to remove or offset all Scope 1 and Scope 2 carbon emissions by 2025 in order to reach carbon neutrality.
- After completing the greenhouse gas inventory for the group in 2021, we will consistently advocate for initiatives like upgrading to energy-efficient equipment, utilizing renewable energy sources, and investing in carbon credits to reduce carbon emissions annually.
- In 2023, solar power and energy storage equipment totaling 170.15 kW were installed at the Nanchou Plant employee dormitory. The installation was completed by the end of September, and by December 31, approximately 54,000 kWh of green electricity had been generated. The overall achievement will be disclosed on our company website and in the sustainability report once the greenhouse gas inventory and verification process is finalized.

» Greenhouse Gas Related Information

2023 Emissions for Scope 1

Unit: tCO_2e

Company	Emission Source	CO_2	CH_4	N_2O	F-GHG	Total
Oneness Biotech	Stationary	19.063	0.018	0.034	0.000	19.115
	Mobile	0.000	0.000	0.000	0.000	0.000
	Fugitive	0.589	6.961	0.000	1.331	8.881
Cotton Field Organic Farm	Stationary	139.719	0.158	0.309	0.000	140.186
	Mobile	5.027	7.381E-03	0.072	0.000	5.106
	Fugitive	0.000	2.072	8.357	0.000	10.429
Total	Stationary	158.782	0.176	0.343	0.000	159.301
	Mobile	5.027	0.007	0.072	0.000	5.106
	Fugitive	0.589	9.033	8.357	1.331	19.310

Greenhouse Gas Analysis

Unit: tCO_2e

Company	CO_2	CH_4	N_2O	NF_3	SF_6	PFCs	HFCs	Total
Oneness Biotech	19.652	6.979	0.034	0.000	0.000	0.000	1.331	27.996
Cotton Field Organic Farm	144.746	2.237	8.738	0.000	0.000	0.000	0.000	155.721
Total	**164.398**	**9.216**	**8.772**	**0.000**	**0.000**	**0.000**	**1.331**	**183.717**

Note: Carbon Removal: Cotton Field Organic Farm: 286.744

Historical Emissions for Scope 1

	2020	2021	2022	2023
Scope 1 Emission (tCO_2e)	-	146.173	212.283	183.717
Data Coverage Scope	-	100%	100%	100%

Note:
1. Emissions in Scope 1 for the year 2020 were not calculated.
2. To improve the accuracy of emission data, adjustments were made to the emission levels for 2021 and 2022 during the greenhouse gas inventory process in 2023.
   (a) The statistical method for calculating F-GHG emissions from refrigerants has been changed from emission rate to filling amount.
   (b) Global warming potential (GWP) has been changed from AR5 to AR6.

Historical Emissions for Scope 2

Unit: tCO_2e

Locations		2020	2021	2022	2023
Oneness Biotech	Nanchou Plant	1,015.323	1,172.919	1,197.358	1,220.942
	Xinyi Office	35.436	34.778	36.374	36.279
	Nangang Office	211.655	239.536	197.049	214.542
	Zhongxiao Office		-		4.708
Cotton Field Organic Farm	Chiayi Farm	-	94.743	90.770	53.535
Total		1,262.415	1,541.976	1,521.551	1530.006
Data Coverage Scope		93%	100%	100%	100%

Note:
1. The subsidiary Cotton Field Organic Farm was not included in 2020.
2. To accurately distinguish control rights, the 2023 greenhouse gas inventory allocated public electricity and air conditioning electricity to Scope 3, and retrospectively adjusted the emissions for 2021 and 2022.
3. The lease for the Zhongxiao office began in October 2023, with operations starting on January 1, 2024; the lease for the Xinyi office ended on December 31, 2023.
4. The carbon emission factor for electricity (kgCO2e/kWh) is based on the value announced by the Ministry of Economic Affairs' Energy Bureau.

	2020	2021	2022	2023
Emission Factor	0.502	0.509	0.495	0.495
Year of Citation	2020	2021	2022	2022

5. When conducting the greenhouse gas inventory and verification in 2023, the emission factors for 2023 had not yet been announced. Therefore, the calculations were based on the 2022 figures.

2023 Emissions for Scope 3

1. Purchased Goods and Services

According to the annual procurement list provided by the purchasing department, including raw materials, supplies, consumables, and solvents, but excluding capital equipment and products purchased directly by various departments outside the procurement process.

- Quantification Method: Total Weight Purchased for Each Material × Emission Factor
- Emission: 329.369 tCO2e
- Sources for Emission Factors: The Carbon Footprint Information Platform, Simapro 9.3.0.2

2. Transportation and Distribution

According to the annual procurement list provided by the purchasing department, including raw materials, supplies, consumables, and solvents, the emissions are calculated based on the distance from each supplier's registered company to the Nan Zhou plant and the mode of transport (land, sea, and air).

- Quantification Method: ∑ (Raw Material Weight × Distance × Emission Factor for Land, Sea, and Air Transport)

Transportation	Emission (tCO2e)	Emission Factor	Sources
Land Transport	0.779	1.31E-01	The Carbon Footprint Information Platform
Maritime Transport	5.888	1.98E-02	
Air Transport	0.005	1.16	
Total	**6.672**	-	-

3. Fuel and Energy Related Activities

Electricity Consumption for Air Conditioning and Public Utilities in Office Locations.

- Quantification Method: Shared Air Conditioning Electricity Cost / Electricity Unit Price × Emission Factor
- Emissions: 252.799 tCO_2e

4. Business Travel

Statistics for overseas business trips (air travel), domestic self-driving (private cars for business use), and domestic public transportation (High Speed Rail, and Taiwan Railways):

- Quantification Method
  (1) Overseas Business Trips: Using the Carbon Emissions Calculator provided by the International Civil Aviation Organization (ICAO) on its website.
  (2) Domestic Self-driving: For private vehicles used for business purposes and meeting the requirements outlined in the business travel management regulations, the distance covered for business is computed at a rate of NT$5 per kilometer.
  (3) Domestic Transportation (High Speed Rail): Total Annual Expenses / Ticket Price from Taipei to Zuoying (NT$1,490) × 10.88 kgCO2e per person.

Business Trip	Emission (tCO2e)	Emission Factor	Sources
Overseas Business Travel	14.826	ICAO Carbon Emissions Calculator	
Domestic Self-driving	30.380	0.115	The Carbon Footprint Information Platform
Domestic Transportation (High Speed Rail)	6.854	10.88 $kgCO_2e$/p	Website of Taiwan High Speed Rail
Domestic Transportation (Taiwan Railway)	0.981	0.054 $kgCO_2e$/km-p	The Carbon Footprint Information Platform
The Carbon Emission of Business Trip	**53.040**		

5. Waste Generated in Operations

Industrial waste includes waste treatment and waste transportation. According to the waste declaration forms, district office statistics (Nanchou), and factory records.

- The quantification method is: Waste Treatment Method and Weight × Emission Factor.

Location	Waste Type	Treatment	Weight (t)	Emission from treatment (tCO_2e)	Emission from transportation (tCO_2e)	Total (tCO_2e)
Nanchou Plant	General industrial waste	Incineration with energy recovery	3.15	1.134	0.019	1.153
	Hazardous industrial waste C-0301	Recycle	21.63	2.660	1.020	3.681
Nangang Laboratory	Hazardous industrial waste C-0599	Incineration with energy recovery	3.85	1.386	0.138	1.524
	Hazardous industrial waste C-0301	Incineration with energy recovery	1.41	0.508	0.054	0.561
Total				**5.688**	**1.231**	**6.919**

2023 Total Greenhouse Gas Emissions (GHG Protocol)

Unit: tCO_2e

Category		Oneness Biotech	Cotton Field Organic Farm	Total
Scope 1		27.996	155.721	183.717
Scope 2		1,476.471	53.535	1,530.006
Scope 3	Purchased Goods and Services	329.369	-	329.369
	Fuel and Energy Related Activities	252.799	-	**252.799**
	Transportation and Distribution	6.672	-	**6.672**
	Waste Generated in Operations	6.919	-	**6.919**
	Business Travel	53.040	-	**53.040**
	Total	648.799		**648.799**

2023 Total Greenhouse Gas Emission (ISO 14064-1:2018)

Unit: tCO_2e

Category	Oneness Biotech	Cotton Field Farm	Total
Category 1 Direct GHG emissions and removals	27.996	155.721	183.717
Category 2 Imported energy	1,729.269	53.535	1,782.804
Category 3 Transportation	59.712	-	59.712
Category 4 Products used by organization	336.288	-	336.288
Category 5 The use of products from the organization	-	-	
Category 6 Other sources	-	-	

Emission Intensity Over the Years

Unit: tCO_2e

	2021	2022	2023
Scope 1+2(tCO_2e)	1,688.149	1,733.834	1,713.723
Intensity (tCO_2e/Million NTD in Revenue)	20.542	1.609	17.594

Note: Revenue includes the combined revenue of Oneness Biotech and Cotton Field Farm.

2021 Greenhouse Gas Verification Statement

Statement TW22/00512GG

SGS

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2021 of

ONENESS BIOTECH CO., LTD.

11F, No. 236, Sec.4, Xinyi Rd., Daan Dist., Taipei City

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14064-1:2018

Direct emissions
222.732 tonnes of CO_2e
Indirect emissions
2,025.825 tonnes of CO_2e
Direct emissions and indirect emissions
2,248.556 tonnes of CO_2e

Authorized by

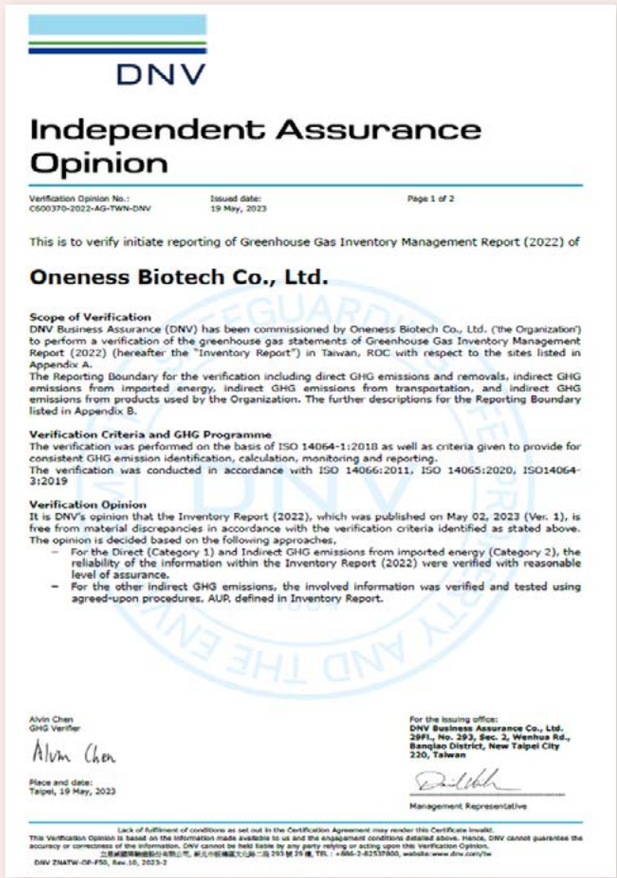
Stephen Pao
Knowledge Deputy General Manager
Date: 30 November 2022
Version 1

TGP56A-15-6a 2207
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District, New Taipei City 24803, Taiwan
t (02) 22993279 f (02)22999453 www.sgs.com

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

Page 1 of 6

2022 Greenhouse Gas Verification Statement



DNV

Independent Assurance Opinion

Verification Opinion No.: C600370-2022-AG-TWN-DNV
Issued date: 19 May, 2023
Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2022) of

Oneness Biotech Co., Ltd.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by Oneness Biotech Co., Ltd. ('the Organization') to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2022) (hereafter the "Inventory Report") in Taiwan, ROC with respect to the sites listed in Appendix A.
The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, and indirect GHG emissions from products used by the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

Verification Criteria and GHG Programme
The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.
The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019

Verification Opinion
It is DNV's opinion that the Inventory Report (2022), which was published on May 02, 2023 (Ver. 1), is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,
- For the Direct (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2022) were verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures. AUP, defined in Inventory Report.

Alvin Chen
GHG Verifier

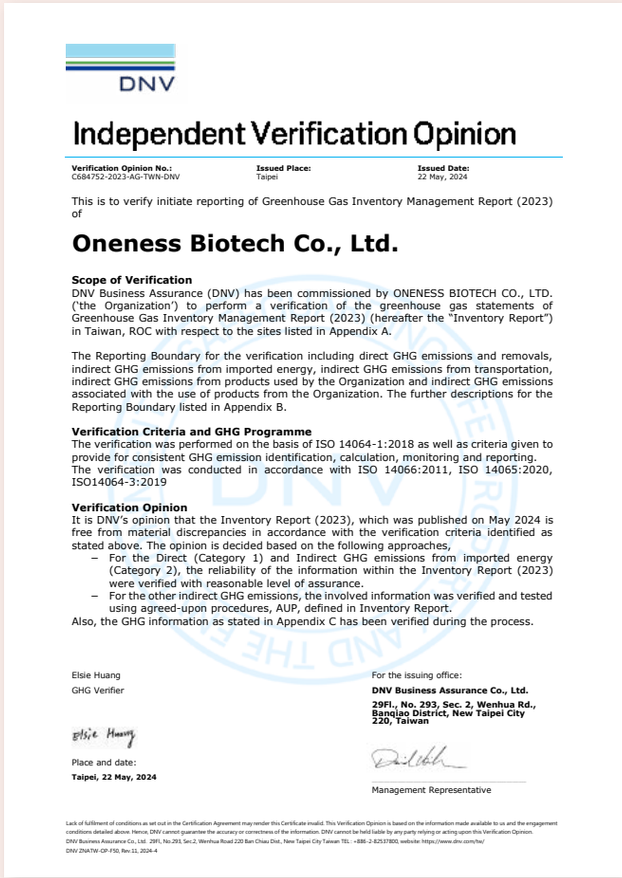
Place and date:
Taipei, 19 May, 2023

For the issuing office:
DNV Business Assurance Co., Ltd.
29Fl., No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan

Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.
DNV ZNATW-OP-F50, Rev.10, 2023-2

2023 Greenhouse Gas Verification Statement



DNV

Independent Verification Opinion

Verification Opinion No.: C684752-2023-AG-TWN-DNV
Issued Place: Taipei
Issued Date: 22 May, 2024

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2023) of

Oneness Biotech Co., Ltd.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by ONENESS BIOTECH CO., LTD. ('the Organization') to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2023) (hereafter the "Inventory Report") in Taiwan, ROC with respect to the sites listed in Appendix A.

The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, indirect GHG emissions from products used by the Organization and indirect GHG emissions associated with the use of products from the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

Verification Criteria and GHG Programme
The verification was performed on the basis of ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting.
The verification was conducted in accordance with ISO 14066:2011, ISO 14065:2020, ISO14064-3:2019

Verification Opinion
It is DNV's opinion that the Inventory Report (2023), which was published on May 2024 is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,
- For the Direct (Category 1) and Indirect GHG emissions from imported energy (Category 2), the reliability of the information within the Inventory Report (2023) were verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified and tested using agreed-upon procedures, AUP, defined in Inventory Report.

Also, the GHG information as stated in Appendix C has been verified during the process.

Elsie Huang
GHG Verifier

Place and date:
Taipei, 22 May, 2024

For the issuing office:
DNV Business Assurance Co., Ltd.
29Fl., No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan

Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.
DNV Business Assurance Co., Ltd. 29Fl, No.293, Sec.2, Wenhua Road 220 Ban Chiau Dist., New Taipei City Taiwan TEL: +886-2-8253780, website: https://www.dnv.com/tw/
DNV ZNATW-OP-F50, Rev.11, 2024-4

Water Resources

Water Usage

Unit: M³

Locations	Water Source	2020	2021	2022	2023
Xinyi	Municipal water supply	529	507	508	533
Zhongxiao	Municipal water supply	-	-	-	361
Nanchou Plant	Groundwater	11,340	10,948	13,280	17,355
Total		**11,869**	**11,455**	**13,788**	**18,249**

Note: The building management unit of Nangang Laboratory was unable to provide information on water charges, and Cotton Field Organic Farm uses groundwater which has not been tallied the consumption. Both were not included in the statistics.

Wastewater Usage

Unit: M³

Location	Waste Water Receiver	2020 (Sep. to Dec.)	2021	2022	2023
Nanchou Plant	Donggang River	2,387	10,738	8,240	8,251

Note: Wastewater from the Xinyi, Nangang and Zhongxiao locations is discharged into municipal sewages for treatment, and Cotton Field Organic Farm's wastewater is discharged into local channels.

Water Intensity

The main manufacturing site (Nanchou Plant) is used as the benchmark for water management.

Unit	2020	2021	2022	2023
Tons per Million NTD in Revenue	285.278	174.181	12.940	210.283
Tons per Production	0.6429	0.1351	0.1780	0.2837

Waste Management

Type and Weight of Waste

Unit: Tons

Locations	Waste Type	Treatment	2020	2021	2022	2023
Nangang	Hazardous Industrial Waste	Incineration with Energy Recovery	4.52	3.59	1.84	5.26
Nanchou Plant	General Industrial Waste	Incineration with Energy Recovery	29.41	33.72	10.5	3.15
	Hazardous Industrial Waste	Mechanical Recycling	62.28	145.29	1.72	21.63
Total			**96.21**	**182.60**	**14.06**	**30.04**

Note:
1. The incineration facilities at Nangang and the Nanchou Plant are equipped with energy recovery equipment.
2. Hazardous industrial wastes at Nangang include: C-0599 infectious waste mixtures, C-0301 waste liquids with a flash point below 60°C (excluding alcoholic wastes with ethanol volume concentration below 24%).
3. Hazardous industrial wastes at the Nanchou Plant consist of: C-0301 waste liquids with a flash point below 60°C (excluding alcoholic wastes with ethanol volume concentration below 24%).
4. General waste from Nangang Office and Xinyi Office is managed by building janitorial staff; no relevant data is included in the statistics.
5. Waste from Cotton Field Organic Farm is collected by local municipal services; no relevant data is included in the statistics.
6. All waste is transported by qualified companies for incineration and recycling, with no unidentified disposal, direct landfilling, or other unrecorded waste.

Waste Intensity

The main manufacturing site (Nanchou Plant) is used as the benchmark for waste management.

Unit	2020	2021	2022	2023
Tons per Production	0.0052	0.0022	0.0002	0.0004

Appendix E. Assurance Statement

DNV

Independent Assurance Statement

Scope and Approach

Oneness Biotech Co., Ltd. ("Oneness" or "the Company") commissioned **DNV Business Assurance Co., Ltd.** ("DNV" or "we") to undertake independent assurance over the 2023 Sustainability Report for the year ended 31 December 2023 ("the Report").

The Report is prepared in accordance with the reporting principles and requirements of the Global Reporting Initiative (GRI) Standards, which also serve as the basis of our verification

The Report also incorporated disclosures with reference to relevant sustainability reporting guidelines, such as the Sustainability Accounting Standards Board's (SASB) Sustainability Accounting Standard for the Biotechnology & Pharmaceuticals industry (version 2018-10).

We understand that the reported financial data and information are based on the data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts and greenhouse gas emission data verified by other assurance engagements are not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion, which is Principle-based and covers the environmental/social performance indicators that the Company included in the Report. We are providing the evaluation of reporting principles with a Type 1, Moderate level of assurance, according to AA1000 Assurance Standard v3.

Responsibilities of the Directors of Oneness Biotech Co., Ltd. and of the Assurance Providers

The Directors of Oneness have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Oneness; however, our statement represents our independent opinion and is intended to inform all of Oneness's stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

We have no other contractual relationship with Oneness that constitutes a conflict of interest against the current assurance engagement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of Our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at the Company and site level. We undertook the following activities:

- Review of the current sustainability issues that could affect Oneness and are of interest to stakeholders.
- Review of Oneness's stakeholder engagement approach and recent outputs.
- Review of information, which covers the selected environmental and social performances indicators, provided to us by Oneness on its reporting and management processes relating to the Principles.
- Interviews with selected senior managers responsible for the management of sustainability issues and review of selected evidence to support the issues discussed.
- Site visits to Oneness's Headquarters in Taipei City and data checks on the three selected sites and subsidiaries in Taipei City, Chiayi County and Pingtung County to assess processes and systems for preparing site-level data and implementing sustainability strategies.
- Review of supporting evidence for key claims and 2023 data in the Report, as reported information beyond 2023 is not within the scope of the current engagement. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at the consolidated corporate level.
- Review of the processes for gathering and consolidating the data and, for a sample, checking the data consolidation. Where data on financial performance and greenhouse gas emissions had been checked by other assurance providers or engagements, we tested the transcription from these sources to the Report.
- An independent assessment of Oneness's reporting according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The verification was conducted based only on the Chinese version Report.

DNV

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Oneness's adherence to the Principles.

In terms of reliability of the performance data, in accordance with Moderate level assurance requirements, nothing came to our attention to suggest that these data have not been properly collated from the information reported at the operational level nor that the assumptions used were inappropriate.

Observations

Without affecting our assurance opinion, we also provide the following observations.

- We acknowledge the Company's important efforts in incorporating the concept of impact and would, therefore, encourage the Company to continue developing relevant due diligence mechanisms.
- In an industry of unique significance and regulatory considerations, we recommend that the Company continue elucidating targets and indicators to track the effectiveness of material topic management.
- On the basis of existing policy commitments, we also encourage the Company to further address and integrate these commitments into its extensive operational aspects.

Stakeholder Inclusiveness
The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are well identified and documented, and the significant sustainability issues identified through this process are reflected in the Report.

Sustainability Context
The Report provides an accurate and fair representation of the level of implementation of related corporate sustainability policies and meets the content requirements of the GRI Standards.

Materiality
The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues.

Completeness
The Report covers performance data against the GRI Standards disclosures that are identified as material within the Company's reporting boundary. The information in the Report includes the Company's most significant initiatives or events that occurred in the reporting period.

Accuracy and Reliability
The Company has developed the data flow for capturing and reporting its sustainability performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report are not reliable.

Impact and Responsiveness
The Company presents the impacts related to its identified material topics by measuring and monitoring impacts through appropriate performance metrics demonstrating outcomes and outputs of its value creation processes. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact and Responsiveness.

For and on behalf of DNV Taiwan
Date: 04 July, 2024

Nasa Chen
Lead Verifier
Business Assurance
DNV Taiwan

David Hsieh
District Manager,
Business Assurance
DNV Taiwan

Statement Number: C692440-2023-AG-TWN-DNV

AA1000 Licensed Assurance Provider 000-10